ANNUAL REPORT 2016

Nishat Chunian Ltd

BRIEF PROFILE

2016	Diversification into Retail Business The Linen Company (TLC)
2015	Diversified into Cinema Business NC Entertainment Private Limited
2014	46 MW Coal Based Power Plant
2013	Established a subsidiary company in USA
2013	2 Spinning Mills acquired & a new spinning mill started
2010	IPP commercial operations
2006	Diversified into Home Textiles
2005	Acquisition of 2 spinning Mills & 5th Spinning Mill Started
2000	2nd Spinning mill started production
1998	Diversified into Weaving
1991	1st Spinning Mill Setup

CONTENTS

COMPANY INFORMATION

Board of Directors:
Mrs. Farhat Saleem (*Chairperson)*
Mr. Shahzad Saleem (*Chief Executive)*
Mr. Zain Shahzad
Mr. M. Imran Rafiq (*Nominee NIT)*
Mr. Aftab Ahmad Khan
Mr. Muhammad Ali Zeb
Mr. Kamran Rasool

Audit Committee:
Mr. M. Imran Rafiq (*Chairman)*
Mr. Zain Shahzad (*Member)*
Mr. Muhammad Ali Zeb (*Member)*

HR & Rrmueration Committee:
Mrs. Farhat Saleem (*Chairperson)*
Mr. Zain Shahzad (*Member)*
Mr. Kamran Rasool (*Member)*

CFO / Company Secretary:
Mr. Babar Ali Khan

Head of Internal Audit:
Mr. Faqir Syed Ameer Abbas

Mills:
Spinning 1, 4, 5, 7 & 8
49th Kilometre, Multan Road,
Bhai Pheru, Tehsil Chunian,
District Kasur.

Dyeing & Printing
4th Kilometre, Manga Road,
Raiwind.

Spinning 2, 3, 6 & Weaving
49th Kilometre, Multan Road,
Kamogal, Tehsil Pattoki,
District Kasur.

Bankers to the Company:
Allied Bank Limited
Askari Bank Limited
Al Barka Bank (Pakistan) Limited
Bank Alfalah Limited
Bank Islami Pakistan Limited
Burj Bank Limited
Dubai Islamic Bank Pakistan Limited
Faysal Bank Limited
Habib Bank Limited
Habib Metropolitan Bank Limited
Industrial and Commercial Bank of China (ICBC)
Meezan Bank Limited
National Bank of Pakistan
NIB Bank Limited
Pak Kuwait Investment Company (Private) Limited
Standard Chartered Bank Pakistan Limited
SAMBA Bank Limited
Soneri Bank Limited
The Bank of Punjab
United Bank Limited

Auditors:
Riaz Ahmad & Company
Chartered Accountants

Registered & Head Office:
31-Q, Gulberg-II,
Lahore, Pakistan.
Phone : 35761730-39
Fax : 35878696-97
Web : www.nishat.net

Share Registrar:
Hameed Majeed Associates (Pvt) Limited
1st Floor, H.M. House
7-Bank Square, Lahore
Ph: 042 37235081-2 Fax: 042-37358817

Notice is hereby given that 27th Annual General Meeting of the Shareholders of Nishat (Chunian) Limited (the "Company") will be held on Monday, October 31, 2016 at 10:45 A.M. at Registered Office, 31-Q, Gulberg – II, Lahore to transact the following business:

ORDINARY BUSINESS:

1. To confirm the minutes of the last Annual General Meeting held on October 30, 2015.
2. To receive, consider and adopt audited unconsolidated and consolidated financial statements of the Company for the year ended 30 June 2016 together with Directors' and Auditors' reports thereon.
3. To approve a final cash dividend @ 25% (i.e. Rs. 2.50 per share) as recommended by the Board of Directors.
4. To appoint auditors for the year ending 30 June 2017 and to fix their remuneration. The present Auditors M/s Riaz Ahmad & Company, Chartered Accountants, retire and being eligible offer themselves for reappointment.
5. To transact any other business with the permission of the Chair.

SPECIAL BUSINESS:

AMENDMENTS TO BE MADE IN THE ARTICLES OF ASSOCIATION FOR MANDATORY E-VOTING REQUIREMENTS

6. To consider and approve the amendment to be made in the Articles of Association of the Company for the purpose of compliance with the mandatory E-voting requirements as prescribed by the Companies (E-voting) regulations 2016 and if thought fit, pass the following resolution with or without amendments as a special resolution:

"**RESOLVED** that the Articles of Association of the Company be altered as follows:

In Article 71 after the last line following lines shall be inserted:

In case of e-voting, voters may appoint either members or non-members, as proxy and the company shall comply with the requirements of the Companies (E-voting) Regulation, 2016 prescribed under the Companies Ordinance, 1984"

Article 76 shall be replaced with the following wording:

76. Every instrument appointing a proxy shall, as nearly as circumstances permit, be in the form or to the effect following and shall be retained by the Company. The instrument appointing a proxy of e-voting under option 2 mentioned below shall be deposited in advance in writing at least ten days before holding of general meeting, through regular mail or electronic mail at the registered / email address of the Company, to be provided in the notice of the meeting:

Option 1:
Appointing other person as Proxy

NISHAT (CHUNIAN) LIMITED

I, ____________________ of __________________, being a member of NISHAT (CHUNIAN) LIMITED, holder of _________ Ordinary Shares as per Register Folio No._____ hereby appoint ________________ of _______________ (or failing him_____________________ of _____________ or failing him of _______________) my proxy in my absence to attend and vote for me and on my behalf at the (Annual or Extraordinary, as the case may be) general meeting of the company to be held on the ___ day of

____________ and at any adjournment thereof.

As witness my hand this _____ day of _____________

Signed by the said
In the presence of

Provided always that an instrument appointed a proxy may be in the form set out in regulation 39 of table A of the first schedule to the ordinance.

Option 2:
E-Voting as per the Companies (E-Voting) Regulations, 2016.

NISHAT (CHUNIAN) LIMITED

I, ____________________ of __________________, being a member of NISHAT (CHUNIAN) LIMITED, holder of __________ Ordinary Shares(s) as per Register Folio No._____ hereby opt for e-voting through Intermediary and hereby consent the appointment of execution officer ________________ as proxy and will exercise e-voting as per the Companies (e-voting Regulations, 2016 and hereby demand for poll for resolutions.
My secured email address is ______________________, please send login details password and electronic signature through email.

Signature should agree with the pecimen
Signature registered with the company
Signed in the presence of:

____
Signature of Witness

____
Signature of Witness

Further Resolved that:
The Chief Executive and the Company Secretary be and are hereby singly empowered and authorized to give effect to this resolution and to do or cause to do all acts, deeds and things that may be necessary or required and to sign such documents and take such steps from time to time, as and when necessary".

TRANSMISSION OF AUDITED ACCOUNTS THROUGH CD/DVD/USB

7. To seek the consent of shareholders for transmission of Annual Audited Accounts through CD/DVD/USB instead of transmitting the said accounts in hard copies in compliance with Securities Exchange Commission of Pakistan's (SECP) SRO No.470(1) / 2016 dated May 31, 2016 and if deemed fit passed the following resolution as an Ordinary Resolution with or without modification:

"RESOLVED THAT:

a) Consent be and is hereby granted for transmission of annual audited accounts to members at their registered address in soft form i.e. CD/DVD/USB as notified by the SECP vide SRO No.470(1) / 2016 dated May 31, 2016.

b) The Chief Executive and the Company Secretary be and are hereby singly empowered and authorized to give effect to this resolution and to do or cause to do all acts, deeds and things that may be necessary or required and to sign such documents and take such steps from time to time, as and when necessary".

By order of the Board
Babar Ali Khan
Company Secretary

Dated: October 05, 2016
Lahore

NOTES:

1. Closure of Share Transfer Books

<u>For attending of Annual General Meeting</u>
That Share Transfer Books will remain closed from 22-10- 2016 to 28-10- 2016 (both days inclusive) for attending of Annual General Meeting.

<u>For entitlement of 25% Final Cash Dividend</u>
The Share Transfer Books of the Company will remain closed form 19-11- 2016 to 25-11- 2016 (both days inclusive) for entitlement of 25% Final Cash Dividend i.e. Rs.2.50 per share. Transfers Physical / CDS received at the share registrar of the Company M/s Hameed Majeed Associates (Pvt) Ltd., H.M. House, 7-Bank Square, Lahore upto close of office timings on 18-11- 2016 will be treated in time for entitlement of 25% Final Cash Dividend.

2. Participation in the Annual General Meeting

A member entitled to attend and vote at this meeting may appoint any other member as his/her proxy to attend and vote on his/her behalf. The instrument appointing proxy must be received at the Registered Office of the Company duly stamped and signed not later than 48 hours before the meeting.

CDC Account Holders will further have to follow the under mentioned guidelines as laid down in Circular No.1 dated January 26, 2000 issued by the Securities and Exchange Commission of Pakistan.

A. For Attending the Meeting:
(i) In case of individuals, the account holder or sub-account holder and/or the person whose securities are in group account and their registration details are uploaded as per the Regulations, shall authenticate his/her identity by showing his/her original Computerized National Identity Card (CNIC) or original passport at the time of attending the meeting.
(ii) In case of corporate entity, the Board of Directors' resolution / power of attorney with specimen signature of the nominee shall be produced (unless it has been provided earlier) at the time of the meeting.

B. For Appointing Proxies:
(i) In case of individuals, the account holder or sub-account holder and/or the person whose securities are in group account and their registration details are uploaded as per the Regulations, shall submit the proxy form as per the above requirement.
(ii) The proxy form shall be witnessed by two persons whose names, addresses and CNIC Numbers shall be mentioned on the form.
(iii) Attested copies of CNIC or Passport of the beneficial owners and the proxy shall be furnished with the proxy form.
(iv)The proxy shall produce his / her original CNIC or original Passport at the time of the meeting.
(v) In case of corporate entity, the Board of Directors' resolution / power of attorney with specimen signature shall be submitted (unless it has been provided earlier) along with proxy form to the Company.

3. CNIC / NTN Number on Dividend Warrant (Mandatory)

As has already been notified from time to time, the Securities and Exchange Commission of Pakistan (SECP) vide Notification S.R.O. 19(I)/2014 dated 10th January 2014 read with Notification S.R.O. 831(1)/2012 dated July 5, 2012 required that the Dividend Warrant(s) should also bear the Computerized National Identity Card (CNIC) Number of the registered shareholder or the authorized person, except in case of minor(s) and corporate shareholder(s).

Henceforth, issuance of dividend warrant(s) will be subject to submission of CNIC (individuals) / NTN (corporate entities) by shareholders.

4. Deduction of Income Tax from Dividend under Section 150 the Income Tax Ordinance, 2001 (Mandatory)

(i) Pursuant to the provisions of the Finance Act 2016 effective July 1, 2016, reforms has been made with regards to deduction of income tax. For Cash Dividend, the rates of deduction of income tax, under section 150 of the Income Tax Ordinance, 2001 have been revised as follows:

1. Rate of tax deduction for filer of income tax return 12.5%
2. Rate of tax deduction for non-filers of income tax return 20%

To enable the company to make tax deduction on the amount of cash dividend @ 12.5% instead of 20%, shareholders whose names are not entered into the Active Tax-payers List (ATL) provided on the website of FBR, despite the fact that they are filers, are advised to immediately make sure that that their names are entered in ATL, otherwise tax on their cash dividend will be deducted @20% instead of 12.5%

(ii) Further, according to clarification received from Federal Board of Revenue (FBR), with-holding tax will be determined separately on 'Filer/Non-Filer status of Principal shareholder as well as joint-holder (s) based on their shareholding proportions, in case of joint accounts.

In this regard all shareholders who hold shares jointly are requested to provide shareholding proportions of Principal shareholder and Joint-holder(s) in respect of shares held by them to our Share Registrar, in writing as follows:

Company Name	Folio/CDs Account#	Total Shares	Principal Shareholder		Joint Shareholder	
			Name and CNIC#	Shareholding Proportion (No. of Shares)	Name and CNIC#	Shareholding Proportion (No. of Shares)

The required information must reach our Share Registrar within 10 days of this notice; otherwise it will be assumed that the shares are equally held by Principal shareholder and Joint Holder(s).

(iii) For any query/problem/information, the investors may contact our share registrar M/s. Hameed Majeed Associates (Pvt) Ltd., H.M. House 7-Bank Square, The Mall, Lahore at phone 042-37235081-2 or email at shares@hmaconsultants.com

(iv) The corporate shareholders having CDC accounts are required to have their National Tax Number (NTN) updated with their respective participants, whereas corporate physical shareholders should send a copy of their NTN certificate to our share registrar M/s. Hameed Majeed Associates (Pvt) Ltd. The shareholders while sending NTN or NTN certificates, as the case may be, must quote company name and their respective folio numbers.

5. Dividend Mandate (Optional)

In pursuance of the directions given by the Securities and Exchange Commission of Pakistan (SECP) vide Circular No. 18 of 2012 dated June 05, 2012, a shareholder may, if so desire, direct the Company to pay dividend through his/her/its bank account under Section 250 of the Companies Ordinance, 1984.

Further, transferee of shares may exercise option for dividend mandate by using the revised "Form of Transfer Deed available on Company's website. The revised form of transfer deed will enable the transferees to receive cash dividend directly in their bank accounts, if such transferee provides particulars of its bank account which he/she/it desires to be used for credit of cash dividend.

If they so desires the shareholders have the option to seek the dividend mandate by using the standardized "Dividend Mandate Form" available on Company's website http://www.nishat.net.

6. Payment of Cash Dividend Electronically (Optional)

The SECP has initiated e-dividend mechanism through its letter No: 8(4) SM/CDC/2008 dated April 05, 2013. In order to avail benefits of e-dividend (such as instant credit of dividends, no chances of dividend warrants getting lost in the post, undelivered or delivered to the wrong address etc.) shareholders are hereby advised to provide details of their bank mandate specifying: (i) title of account, (ii) account number, (iii) bank name, (iv) branch name, code and address.

7. Consent for Electronic Transmission of Audited Financial Statements & Notices (Optional)

The Securities and Exchange Commission of Pakistan (SECP) through its Notification S.R.O. 787(I)/2014 dated 8th September 2014 has permitted companies to circulate Audited Financial Statements along with Notice of Annual General Meeting to its members through e-mail. Accordingly, members are hereby requested to convey their consent and e-mail address for receiving Audited Financial Statements and Notice through e-mail. In order to avail this facility a Standard Request Form is available at the Company's website http://www.nishat.net.

8. Change of Address

Members are requested to notify any change in their addresses immediately. Shareholders are requested to provide above mentioned information/documents to (i) respective Central Depository System (CDS) Participants and (ii) in case of physical securities to the Share Registrar of the Company.

9. The Company has placed the audited unconsolidated and consolidated financial statements for the year ended June 30, 2016 along with Auditors and Directors Reports thereon on its website: www.nishat.net

STATEMENT UNDER SECTION 160(1) (b) OF THE COMPANIES ORDINANCE, 1984.

This statement sets out the material facts pertaining to the special business to be transacted at the Annual General Meeting of the Company to be held on October 31, 2016.

Agenda No.6
AMENDMENTS TO BE MADE IN THE ARTICLE OF ASSOCIATION FOR MANDATORY E-VOTING REQUIREMENTS

Amendments to the Articles of Association of the Company are being carried out in order to give effect to the requirements of Companies (E-
Voting) Regulations, 2016 issued by the Securities and Exchange Commission of Pakistan. This is mandatory compliance for all listed companies.

The detail of amendments proposed in the Article of Association of the Company is part of the resolution mentioned in the Notice.

Agenda No.7
TRANSMISSION OF AUDITED ACCOUNTS THROUGH CD/DVD/USB

The SECP through SRO 470 (1) 2016 dated May 31, 2016 has allowed companies to circulate the annual audited accounts to its members through CD/DVD/USB at their registered address after approval by members. The Company shall supply hard copies of the annual audited accounts to the shareholders, on demand, at their registered addresses, free of cost, within one week of such demand. For the convenience of its members, the company shall place on its website (http://www.nishat.net) a standard request form, for despatch of annual audited accounts in hard copy instead of sending the same through CD/DVD/USB, along with postal and e-mail address of

Growing Ingeniously

Consent Form For Electronic Transmission

Pursuant to the allowance granted through SRO 787(I)/2014 of September 8, 2014, by the Securities Exchange Commission of Pakistan, the Company can circulate its annual balance sheet and profit and loss accounts, auditor's report and directors' report etc. ("Audited Financial Statements") along with the Company's Notice of Annual General Meeting through email to its shareholders. Those shareholders who wish to receive the Company's Annual Report via email are requested to provide a completed consent form to the Company's Share Registrar, Hameed Majeed Associates (Pvt) Limited.

PLEASE NOTE THAT RECEIPT OF THE ANNUAL REPORT VIA EMAIL IS OPTIONAL AND NOT COMPULSORY.

ELECTRONIC TRANSMISSION CONSENT FORM

Date:__________________

The Share Registrar
Hameed Majeed Associates (Pvt) Limited Hameed Majeed House, 7-Bank Square
The Mall, Lahore.
Ph#042-37235081-82 Fax#042-37358817
Email: info@hmaconsultants.com

Pursuant to the directions given by the Securities Exchange Commission of Pakistan through its SRO 787(I)/2014 of September 8, 2014, I, Mr./Ms.__________________________S/o, D/o, W/o ____________________________ hereby consent to have The Nishat Chunian Limited's Audited Financial Statements and Notice of Annual General Meeting delivered to me via email on my email address provided below:

Name of Member/ Shareholder	
Folio/ CDC Account Number	
Email Address:	

It is stated that the above mentioned information is true and correct and that I shall notify the Company and its Share Registrar in writing of any change in my email address or withdrawal of my consent to email delivery of the Company's Audited Financial Statements and Notice of Annual General Meeting.

____
Signature of the Member/ Shareholder


OMNI

DIRECTOR'S REPORT

The Company's operations remained profitable with sizable increase in sales during the fiscal year despite dwindling profitability in the textile sector against the backdrop of decline in growth and exports witnessed in the overall industry. Our textile business faced a number of challenges where both the demand and margins fell considerably. The company is extending its Profitable track record by increasing profitability by 5.1 % as compared to 3.37% last year. The favourable effect on profitability can be attributed to efficient cost management and increase in margins in Home Textile Division in addition to favourable exchange rate in combination with significant increase in exports of Weaving and Home Textile Divisions.
We remain committed to creating value for our stakeholders through our unparalleled performance and exponential growth. Financial figures of the company over the last six years show steady and durable growth. Our net sales rose to Rs. 25.8 billion in 2016 from Rs. 13.3 billion in 2010, while total assets stood at Rs.28.9 billion as at June 30, 2016, approximately twice as compared to June 30, 2010 which stood at Rs 14.3 billion.

We are pleased to announce the audited results for the year ended June 30, 2016.

YEAR AT A GLANCE

Revenue: Rs. 25.8 Billion (+8.5%)
Profit from Operations Rs. 2.6 Billion (+5.8%)
Net Profit for the Year Rs. 1,328 Million (+66%)

Financial Highlights	For the Year Ended	
	2016	2015
Sales (Rs.)	25,799,121,553	23,780,454,796
Gross Profit (Rs.)	2,455,517,774	1,956,775,047
Profit After Taxation (Rs.)	1,328,774,693	800,420,015
Gross Profit %	9.5%	8.2%
Profit After Taxation %	5.1%	3.3%
Earnings Per Share (Rs.)	5.59	3.79 (restated)

PROFITABILITY

Revenue earned during this year was Rs. 25.8 billion, up by 8.5% from last year. Despite overall depression in the textile industry, foreign exchange remained favourable for our increasing exports in Home Textile and Weaving Divisions. The gross profits for this period increased from 8.2% to 9.5% as compared to last year. Net profit after tax for the current period is Rs. 1328.7 million compared to Rs. 800.4 million for the year 2015. The increase in profits was also due to higher margins in Home Textile Division which contributes to 29% of total revenue.

Majority of income generated during the year was dividend received from our subsidiary. We realise at this juncture that our strategic decision to diversify has been a very prudent measure to balance the cyclical and volatile textile industry.

APPROPRIATIONS

The Board of Directors of the Company has proposed to pay Rs. 2.5 per ordinary share cash dividend on it's meeting held on October 4, 2016.

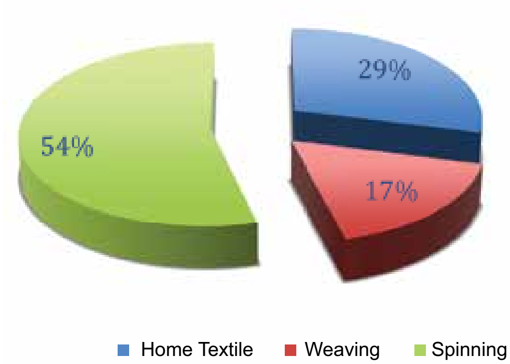
INVESTMENTS

Significant investments were made during the year in Spinning and Weaving segments for capacity enhancement and improvement in operational efficiency in anticipation of prospects of increasing business volume.

92 Looms and 1 compressor were purchased by Weaving during the year for Rs. 417 millions increasing volume capacity from 200 millions square yards to around 230 millions square yards per annum. 5 blow room lines and 22 carding machines in addition to other machinery were installed during the year in units 7 and 8 of spinning division by replacing the old machinery with an invest volume of rupees Rs. 329 million.

SEGMENT WISE REVENUE

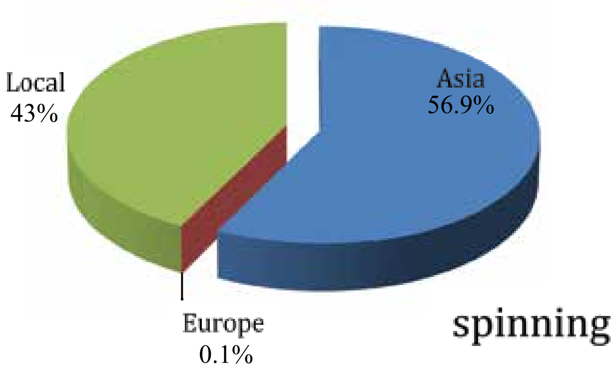
Spinning continues to be the main revenue generating business for NCL. The 3 businesses have shown steady growth in terms of volume but because of the recent depressed market and rupee appreciation, the revenues have not shown a corresponding growth.



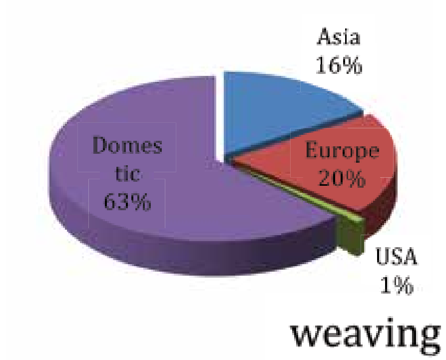
SPINNING

Nishat Chunian Ltd has a capacity of 210,000 spindles located in 8 spinning mills producing 85,000 tons of ring-spun greige yarn per annum. The spinning division has seen major investment in innovation and upgradation of the current facilities. The Company has fully revamped the back process and major machinery in one of the two sick units acquired in 2013 and are in the process of replacing the entire machinery of the other unit with fully automated state of the art European and Japanese machinery. Fully automated ring and winding for another unit is also awaited. These efforts will not only reduce labour costs but will also help the Company in improving quality and productivity.

This year the Spinning Division experienced losses. The year started with low cotton prices due to lower demand from Chinese markets. Pakistani cotton experienced increase in prices after the end of 1st quarter due to crop shortage and quality issues: a large quantity of crop was damaged due to rain and bad weather resulting in the Company relying heavily on imported cotton.
This year yarn prices increased as compared to last year. However, this increase was not able to cover the increase in the raw material cost (which increased by almost 15-20%); labour and manufacturing costs. China, instead of importing coarse yarn from Pakistan, has now diverted its imports to India, as India is able to offer much cheaper prices. This resulted in Pakistani Spinners facing huge challenges in International market. Due to these reasons, external sales of spinning division reduced by almost 2.6%.



WEAVING

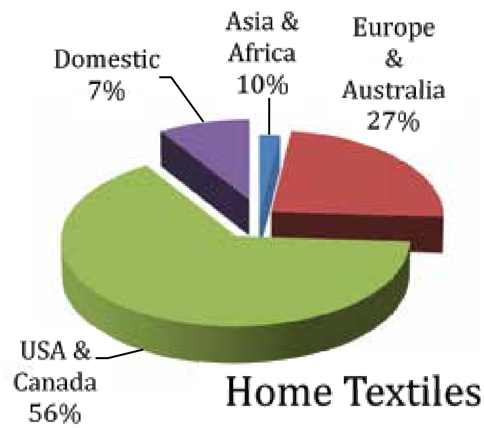


During the year under review, total sales increased by 20% as compared to last year. Gross profit increased from 4% to 7%. The increase in profitability was mainly due to decrease in yarn prices and reduction in power cost. Share of export sales has increased from 33.5% to 37.5%. Also, export sales have increased by 35%. The number of looms in the weaving unit has increased from 293 to 361. New looms have been added to cater the requirement of narrow width fabric and increase the market share.

HOME TEXTILES

During the financial year under audit, state of the art digital printing machine has been added to the dyeing and printing plant. The addition of digital printing provides a more diverse product mix to the existing customer base as well as ability to pitch in new customers. Stitching capacity has increased by 13% in the last year including an embroidery quilting machine. This increase in stitching capacity is specifically for highly embellished and ellite value end products. This year gross sales have increased by 16%. Also, Gross profit has increased from 7.6% to 14.4%. Apart from the above increase in capacities, the increase in profitability is mainly due to the efficient cost management by the company mainly by maintaining an ideal fuel mix for the generation of electricity and steam for its plant. Also, efficient buying of raw material has resulted in the reduced raw material costs thereby increasing the GP margin significantly. Hike in exchange rate was another positive as major portion of company's value added sector resides in foreign market.

The company is striving to enhance the market share in value added sector. In order to boost sales and capture retail market, the company has recently opened its first retail brand under the name of "The Linen Company" (TLC). The management is confident that this endeavour will generate higher revenue and help company build its name in the local retail industry as well.



FUTURE OUTLOOK

We have increased our diversified portfolio by establishing our presence in coal power and entertainment industry emerging as a unique conglomerate comprising of Textile, Power, and Entertainment sectors. We have formally signed a contract for a 46 MW coal based captive power plant which will commence operations in February 2017. This initiative will significantly reduce our cost of production. Currently we are paying Rs 13 - 14 per unit as energy cost and we expect this project to bring these costs down by Rs 3.5 - 4.5 per unit translating into huge savings which will help bolster the shrinking margins in the textile business.

We aim to expand our customer base and product portfolio. The next few years will see NCL fortify and integrate the benefits of the growth it has witnessed in the last few years. On the whole the future of the company looks very encouraging. The Group is well placed to achieve further success and build shareholder value in the years ahead.

The company has initiated the project of setting up a state of the art hospital named Saleem Memorial Trust Hospital with the aim of providing quality health care at subsidized rates to the under privileged. 40 kanals of land has been purchased for the hospital and the grey structure of SMTH will

be completed by the mid of 2017. With a capacity of 350 beds, the project cost is estimated at PKR 4 billion. The hospital is being constructed with the help of communities and will comprise of two revenue streams; regular fee and cross subsidy i.e. patients who can afford the fees will be charged fully and those who need assistance will be given subsidies.

NC Entertainment; the latest venture of Nishat Chunian Group, is a company formed to own and operate cinemas in Pakistan under the brand name of Universal Cinemas. Currently, the company is running a state of the art cinema of international standards in The Grand Shopping Complex in Multan and will be opening by the end of October 2016 the biggest multiplex of Pakistan which can entertain up to 9,000 visitors per day in the Emporium Mall Lahore. We believe that through the use of the most modern cutting-edge technology which offers the most unique services to our patrons, Universal Cinemas is going to become the ultimate destination for movie-goers in Pakistan.

In the weaving unit, we are planning to add 12 new narrow width looms to cater for the demand of stripe and dobby articles by enhancing our product range. Also, up-gradation of the existing looms is on the cards to derive further economies of scale. The expansion is expected to be completed by March 2017. This would add around 550,000 meters to the monthly capacity.

In order to cater to increased sales, we plan to add a modern mercerizing machine, a continuous washing plant and a high performance stenter in our dyeing and printing plant. This will help in increasing the plant capacity by 15%. In the stitching plant, we are planning to add to our embroidery capacity as well as the introduction of automated cutting and packing machines in order to increase the efficiency of these departments as well as help reduce the overall cost.

CORPORATE SOCIAL RESPONSIBILITY

Social welfare and community service are integral part of our vision which is reflected in our commitment in the form of different endeavours from time to time to contribute towards health and education sectors. Not only do we add substantially to the national exchequer through the methodical payment of various taxes, duties and levies, our export earnings contribute considerably in stabilizing the country's foreign exchange position. We strongly believe that these contributions alone are not enough to make a meaningful impact on society. We must support the development of society at large, through assisting educational programs, aiding healthcare, protecting the environment and empowering women and improving the condition of the disadvantaged.

The company donates to a hospital and school through a trust that was founded to deal in philanthropic activities. The school provides quality education for a nominal fee while the hospital provides affordable healthcare for the underprivileged.

In addition to the above mentioned charitable endeavors, the company has embarked on the construction of a state of the art not for profit hospital by the name of Saleem Memorial Trust Hospital with the primary object being provision of quality healthcare to the people of Lahore. The hospital aims to provide subsidized treatment to the underprivileged. With limited non-profit quality health care projects catering to the populace of Lahore and its adjoining areas, setting up of a non-profit tertiary health care facility of international standards must be taken up as a continuation of the consistent CSR practices and initiatives undertaken by the company. SMTH will have modern facilities, operation theatres, clinics and the very first Level III trauma center in Lahore once construction is completed. It will be run by a team of highly qualified doctors and professionals. The hospital will be constructed with the help of our community's donations and run on a self-sustainable cross subsidy model.

We are committed to providing our employees with a work environment that is healthy, safe and conducive to continuous learning. The company continues to employ people irrespective of ethnicities, cultures or gender. We pride ourselves in being an equal opportunity employer.

Statement of Value Addition & Distribution — **Rs. In Millions**

Wealth Generated

Total Revenue and other income	26,989
Bought in Material and services	(21,018)
	5,971
Wealth Distribution	
To Society	
Employee remuneration	2,177
To Government	
Taxes, duties, development surcharge etc.	284
To providers of Finance	
Finance Cost	1,030
Dividend	360
Retained for reinvestment and future growth	
Depreciation, amortization and retained profit	2,120
	5,971

CORPORATE GOVERNANCE

During the year your company remained compliant with the Code of Corporate Governance requirements.

Board of directors' meetings:
During the year under review four (4) meetings were held. Attendance by each director is as follows:

Name of Director	No. of meetings
Mr. Shahzad Saleem	4
Mrs. Farhat Saleem	1
Mr. Zain Shahzad	0
Mr. Aftab Ahmad Khan	0
Mr. Kamran Rasool	4
Mr. Muhammad Ali Zeb	3
Mr. Muhammad Imran Rafique (Nominee NIT)	4

AUDIT COMMITTEE

The audit committee is performing its duties in line with its terms of reference as determined by the Board of Directors. Composition of the Audit Committee is as follows:

Mr. Muhammad Imran Rafique	Chairman
Mr. Zain Shahzad	Member
Mr. Muhammad Ali Zeb	Member

HR & R COMMITTEE

In compliance with the COCG 2012, the Board of Directors of your Company has established a HR & R Committee. Composition of the HR & R committee is as follows:

Mrs. Farhat Saleem	Chairperson
Mr. Zain Shahzad	Member
Mr. Kamran Rasool	Member

PATTERN OF SHAREHOLDING

Pattern of shareholding as on June 30, 2016 is annexed.

DIRECTORS' STATEMENT

In compliance with the Code of Corporate Governance, we give below statements on Corporate and Financial Reporting framework.

1. The financial statements, prepared by the management of the Company, present fairly its state of affairs, the results of its operation, cash flows and changes in equity.

2. Proper books of accounts of the Company have been maintained.

3. Appropriate accounting policies have been consistently applied in preparation of the financial statements and accounting estimates are based on reasonable and prudent judgment.

4. International Accounting Standards, as applicable in Pakistan, have been followed in preparation of financial statements and any departure there from has been adequately disclosed.

5. The system of internal control is sound in design and has been effectively implemented and monitored.

6. There are no significant doubts upon the Company's ability to continue as a going concern.

7. There has been no material departure form best practices of corporate governance, as detailed in the listing regulations.

Acknowledgement

The Directors of you company would like to show their appreciation of the support of respected customers, banks, financial institutions, regulators and shareholders for achieving good results and hope that this cooperation and support continues to grow in the future.

The directors of your Company would also like to express their deep appreciation for the services, loyalty and efforts being continuously rendered by the employees of the Company and hope that they will continue to do so in the future.

On behalf of the Board

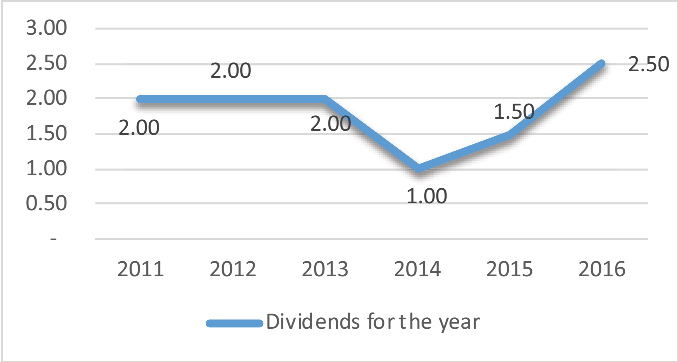
SHAHZAD SALEEM
Chief Executive

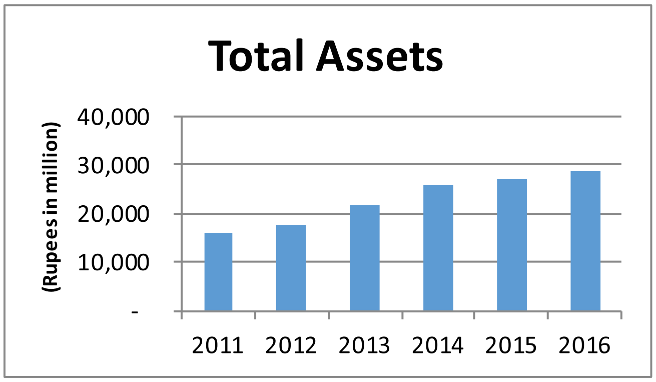
Date: October 4, 2016
Lahore.

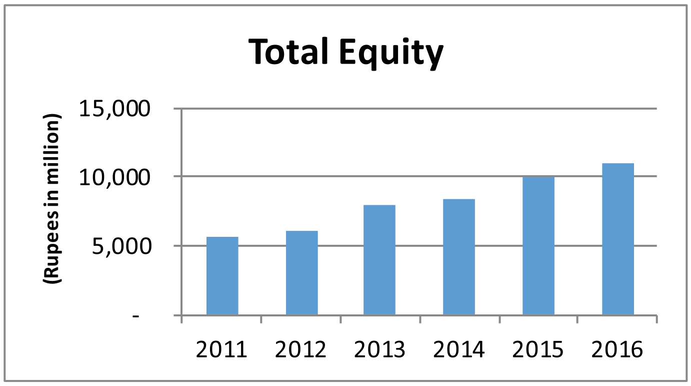
FINANCIAL HIGHLIGHTS

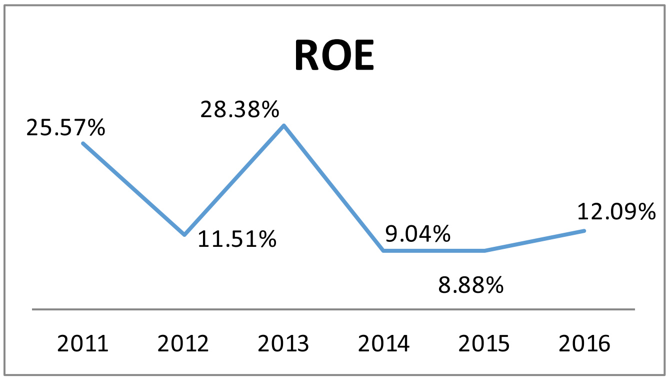
Year	2011	2012	2013	2014	2015	2016
			(Rupees in thousand)			
Net Sales	20,322,002	18,616,943	21,213,244	22,799,758	23,780,455	25,799,122
Gross Profit	3,408,524	2,076,797	3,595,567	1,380,613	1,956,775	2,455,518
Distribution, Admin and Other Expenses	866,966	685,999	821,778	892,998	940,051	1,003,589
Operating Profit plus Other Income	3,145,188	2,247,418	3,774,183	2,302,894	2,497,253	2,642,648
Finance Cost	1,482,399	1,353,445	1,243,262	1,375,292	1,353,886	1,029,629
Net Income	1,458,580	699,331	2,276,161	761,297	800,420	1,328,774
Current Assets	8,068,112	9,724,895	12,396,935	14,548,838	14,794,557	15,975,281
Total Assets	16,230,295	17,682,955	21,924,849	25,940,962	26,959,844	28,883,995
Current Liabilities	7,191,922	7,622,371	9,703,454	12,801,084	14,084,317	15,817,604
Total Equity	5,704,441	6,074,994	8,020,271	8,417,596	9,969,626	10,987,197
Cash Flows:						
Net Cash generated from /(used in) Operating Activities	(349,434)	298,230	(1,186,723)	(2,457,485)	319,654	(479,208)
Net Cash generated from/(used in) Investing Activities	138,299	(969,208)	(231,730)	(933,413)	166,018	(374,500)
Net Cash generated from /(used in) Financing Activities	255,384	583,952	1,629,694	3,149,899	465,557	(67,092)
Earnings Per Share						
Basic	8.25	3.88	11.37	3.80	4.00	5.59
Diluted	8.82	3.88	11.37	3.80	4.00	5.59
Dividends for the year	2.00	2.00	2.00	1.00	1.50	2.50
Dividend Payout Ratio	0.22	0.47	0.16	0.26	0.38	0.45
Financial Measures:						
ROE	25.57%	11.51%	28.38%	9.04%	8.88%	12.09%
ROI	54%	-9%	255%	-27%	-10%	3%
Shareholders' Equity Ratio	35%	34%	37%	32%	37%	38%
Net Debt Equity Ratio (times)	0.59	0.67	0.52	0.56	0.30	0.19
Interest Coverage Ratio (times)	2.12	1.66	3.04	1.67	1.84	2.57
P/E ratio (Price per share / EPS)	2.70	4.48	5.26	11.16	9.19	6.34
Dividend Yield Ratio (Cash dividend / Net Income)	0.22	0.47	0.16	0.26	0.38	0.45
Common Stock						
Number of shares outstanding at year end	162,090,349	165,441,844	181,986,028	200,184,630	200,184,630	240,221,556
Break up value	35.19	36.72	44.07	42.05	49.80	45.74

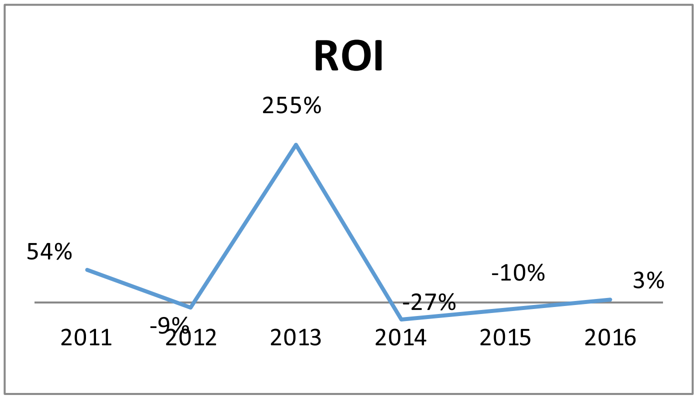

Operating Profit plus Other Income
(Rupees in million)
4,000
2,000
-
2011
2012
2013
2014
2015
2016

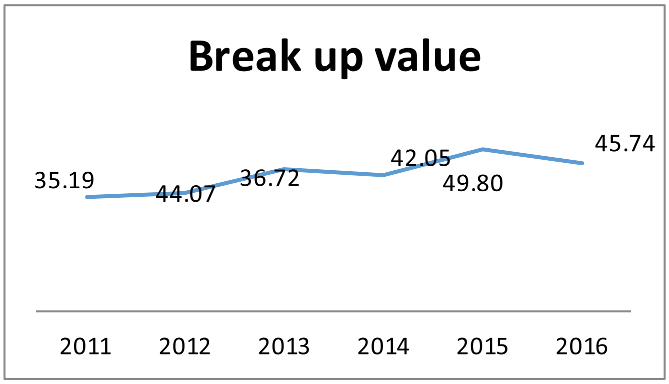

3.00
2.50
2.00
1.50
1.00
0.50
-
2.00
2.00
2.00
1.00
1.50
2.50
2011
2012
2013
2014
2015
2016
Dividends for the year

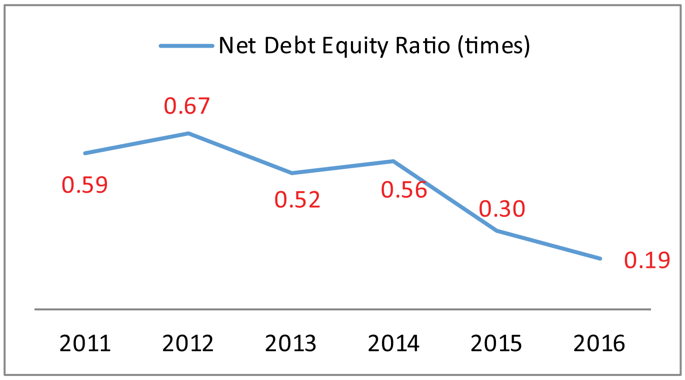

Total Assets
(Rupees in million)
40,000
30,000
20,000
10,000
-
2011
2012
2013
2014
2015
2016


Total Equity
(Rupees in million)
15,000
10,000
5,000
-
2011
2012
2013
2014
2015
2016


ROE
25.57%
28.38%
11.51%
9.04%
8.88%
12.09%
2011
2012
2013
2014
2015
2016


ROI
255%
54%
-9%
-27%
-10%
3%
2011
2012
2013
2014
2015
2016


Break up value
35.19
44.07
36.72
42.05
49.80
45.74
2011
2012
2013
2014
2015
2016


Net Debt Equity Ratio (times)
0.67
0.59
0.52
0.56
0.30
0.19
2011
2012
2013
2014
2015
2016

STATEMENT OF COMPLIANCE

WITH THE CODE OF CORPORATE GOVERNANCE (CCG) FOR THE YEAR ENDED 30 JUNE 2016

This statement is being presented to comply with the Code of Corporate Governance (CCG) contained in Regulation No. 5.19 of Listing Regulations of Pakistan Stock Exchange for the purpose of establishing a framework of good governance, whereby a listed company is managed in compliance with the best practices of corporate governance.

The Company has applied the principles contained in the CCG in the following manner:

1. The Company encourages representation of independent non-executive directors and directors representing minority interests on its Board of Directors. At present the board includes:

Category	**Names**
Independent Director	Mr. Muhammad Imran Rafiq
Executive Director	Mr. Shahzad Saleem
Non Executive Directors	Mrs. Farhat Saleem Mr. Zain Shahzad Mr. Kamran Rasool Mr. Aftab Ahmad Khan Mr. Muhammad Ali Zeb

The independent director meets the criteria of independence as required under clause 5.19.1 (b) of the CCG.

2. The directors have confirmed that none of them is serving as a director on more than seven listed companies, including this Company (excluding the listed subsidiaries of listed holding companies where applicable).

3. All the resident directors of the Company are registered as taxpayers and none of them has defaulted in payment of any loan to a banking company, a DFI or an NBFI or, being a broker of stock exchange, has been declared as a defaulter by that stock exchange.

4. 2 (two) Casual vacancies occurring on the Board on 05 October 2015 and 31 December 2015 were filled up by the directors within 10 days and on same day respectively.

5. The Company has prepared a "Code of Conduct" and has ensured that appropriate steps have been taken to disseminate it throughout the company along with its supporting policies and procedures.

6. The Board has developed a vision/mission statement, overall corporate strategy and significant policies of the Company. A complete record of particulars of significant policies along with the dates on which they were approved or amended has been maintained.

7. All the powers of the Board have been duly exercised and decisions on material transactions, including appointment and determination of remuneration and terms and conditions of employment of the CEO, other executive and non-executive directors, have been taken by the board in accordance with the Articles of Association of the Company.

8. The meetings of the Board were presided over by the Chairman and, in his absence, by a director elected by the Board for this purpose and the Board met at least once in every quarter. Written notices of the Board meetings, along with agenda and working papers, were circulated at least seven days before the meetings. The minutes of the meetings were appropriately recorded and circulated.

9. All the directors on the Board are fully conversant with their duties and responsibilities as directors of corporate bodies. Three (3) directors of the Company are exempt from directors' training program due to 14 years of education and 15 years of experience on the board of a listed company. Two (2) directors have completed the directors' training program. Remaining directors of the Company will complete directors' training program within the time allowed by the Code.

10. The board has approved appointment of CFO, Company Secretary and Head of Internal Audit including their remuneration and terms and conditions of employment.

11. The Directors' Report for this year has been prepared in compliance with the requirements of the CCG and fully describes the salient matters required to be disclosed.

12. The financial statements of the Company were duly endorsed by CEO and CFO before approval of the Board.

13. The directors, CEO and executives do not hold any interest in the shares of the company other than that disclosed in the pattern of shareholding.

14. The Company has complied with all the corporate and financial reporting requirements of the CCG.

15. The Board has formed an Audit Committee. It comprises of 3 members, of whom 2 are non-executive directors and 1 is an independent director. The Chairman of the committee is an independent director.

16. The meetings of the Audit Committee were held at least once every quarter prior to approval of interim and final results of the Company as required by the CCG. The Terms of Reference of the committee have been formed and approved by the Board and advised to the committee for compliance.

17. The Board has formed a Human Resource and Remuneration (HR&R) Committee. It comprises of 3 members all of whom are non-executive directors. The chairman of the Committee is a non-executive director.

18. The Board has set up an effective internal audit function that is considered suitably qualified and experienced for the purpose and is conversant with the policies and procedures of the Company.

19. The statutory auditors of the Company have confirmed that they have been given a satisfactory rating under the quality control review program of the ICAP, that they or any of the partners of the firm, their spouses and minor children do not hold shares of the company and that the firm and all its partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the ICAP.

20. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the Listing Regulations and the auditors have confirmed that they have observed IFAC guidelines in this regard.

21. The 'closed period', prior to the announcement of interim/final results, and business decisions, which may materially affect the market price of company's securities, was determined and intimated to directors, employees and Stock Exchanges.

22. Material/price sensitive information has been disseminated among all market participants at once through Stock Exchanges.

23. The company has complied with the requirements relating to maintenance of register of persons having access to inside information by designated senior management officer in a timely manner and maintained proper record including basis for inclusion or exclusion of names of persons from the said list.

24. We confirm that all other material principles enshrined in the CCG have been complied with.

SHAHZAD SALEEM
Chief Executive

Date: October 4, 2016
Lahore

REVIEW REPORT TO THE MEMBERS

ON THE STATEMENT OF COMPLIANCE WITH THE CODE OF CORPORATE GOVERNANCE

We have reviewed the enclosed Statement of Compliance with the best practices contained in the Code of Corporate Governance ("the Code") prepared by the Board of Directors of **NISHAT (CHUNIAN) LIMITED** ("the Company") for the year ended 30 June 2016 to comply with the Code contained in the Regulations of Pakistan Stock Exchange Limited, where the Company is listed.

The responsibility for compliance with the Code is that of the Board of Directors of the Company. Our responsibility is to review, to the extent where such compliance can be objectively verified, whether the statement of compliance reflects the status of the Company's compliance with the provisions of the Code and report if it does not and to highlight any non-compliance with the requirements of the Code. A review is limited primarily to inquiries of the Company personnel and reviews of various documents prepared by the Company to comply with the Code.

As a part of our audit of the financial statements we are required to obtain an understanding of the accounting and internal control systems sufficient to plan the audit and develop an effective audit approach. We are not required to consider whether the Board of Directors' statement on internal control covers all risks and controls or to form an opinion on the effectiveness of such internal controls, the Company's corporate governance procedures and risks.

The Code requires the Company to place before the Audit Committee and upon recommendation of the Audit Committee, place before the Board of Directors for their review and approval its related party transactions distinguishing between transactions carried out on terms equivalent to those that prevail in arm's length transactions and transactions which are not executed at arm's length price and recording proper justification for using such alternate pricing mechanism. We are only required and have ensured compliance of this requirement to the extent of the approval of the related party transactions by the Board of Directors upon recommendation of the Audit Committee. We have not carried out any procedures to determine whether the related party transactions were undertaken at arm's length price or not.

Following instance of non-compliance with the requirement of the Code was observed which is not stated in the Statement of Compliance:

(i) During the year, Chief Executive of the Company remained as Chairman of Human Resource and Remuneration (HR&R) Committee from 31 December 2015 till 29 April 2016 contrary to the provisions of clause 5.19.16(b) of the Code. However, he resigned as Chairman and member of the HR&R Committee on 29 April 2016. Further, Audit Committee did not include an independent director till 24 December 2015 as required by clause 5.19.16(a) of the Code.

Based on our review, except for the above instance of non-compliance, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Company's compliance, in all material respects, with the best practices contained in the Code as applicable to the Company for the year ended 30 June 2016.

RIAZ AHMAD & COMPANY
Chartered Accountants

Name of engagement partner:
Mubashar Mehmood

Date: October 4, 2016
Lahore

AUDITORS' REPORT

TO THE MEMBERS

We have audited the annexed balance sheet of NISHAT (CHUNIAN) LIMITED as at 30 June 2016 and the related profit and loss account, statement of comprehensive income, cash flow statement and statement of changes in equity together with the notes forming part thereof, for the year then ended and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit.

It is the responsibility of the company's management to establish and maintain a system of internal control, and prepare and present the above said statements in conformity with the approved accounting standards and the requirements of the Companies Ordinance, 1984. Our responsibility is to express an opinion on these statements based on our audit.

We conducted our audit in accordance with the auditing standards as applicable in Pakistan. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the above said statements are free of any material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the above said statements. An audit also includes assessing the accounting policies and significant estimates made by management, as well as, evaluating the overall presentation of the above said statements. We believe that our audit provides a reasonable basis for our opinion and, after due verification, we report that:

(a) in our opinion, proper books of account have been kept by the company as required by the Companies Ordinance, 1984;

(b) in our opinion:

i) the balance sheet and profit and loss account together with the notes thereon have been drawn up in conformity with the Companies Ordinance, 1984, and are in agreement with the books of account and are further in accordance with accounting policies consistently applied;

ii) the expenditure incurred during the year was for the purpose of the company's business; and

iii) the business conducted, investments made and the expenditure incurred during the year were in accordance with the objects of the company;

(c) in our opinion and to the best of our information and according to the explanations given to us, the balance sheet, profit and loss account, statement of comprehensive income, cash flow statement and statement of changes in equity together with the notes forming part thereof conform with approved accounting standards as applicable in Pakistan, and, give the information required by the Companies Ordinance, 1984, in the manner so required and respectively give a true and fair view of the state of the company's affairs as at 30 June 2016 and of the profit, its comprehensive income, its cash flows and changes in equity for the year then ended; and

(d) in our opinion, Zakat deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980), was deducted by the company and deposited in the Central Zakat Fund established under Section 7 of that Ordinance.

RIAZ AHMAD & COMPANY
Chartered Accountants

Name of engagement partner:
Mubashar Mehmood

Date: October 4, 2016
Lahore

BALANCE SHEET

AS AT JUNE 30, 2016

	Note	2016 Rupees	2015 Rupees
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized share capital	3	3,000,000,000	3,000,000,000
Issued, subscribed and paid-up share capital	4	2,402,215,560	2,001,846,300
Share deposit money	5	-	951,794,725
Reserves	6	8,584,981,261	7,015,985,012
Total equity		10,987,196,821	9,969,626,037
LIABILITIES			
NON-CURRENT LIABILITIES			
Long term financing	7	2,079,194,833	2,905,900,727
CURRENT LIABILITIES			
Trade and other payables	8	1,972,627,238	1,278,883,394
Accrued mark-up	9	142,984,217	171,942,000
Short term borrowings	10	12,120,082,522	10,817,110,967
Current portion of non-current liabilities	11	1,581,910,167	1,816,380,679
		15,817,604,144	14,084,317,040
Total liabilities		17,896,798,977	16,990,217,767
CONTINGENCIES AND COMMITMENTS	12		
TOTAL EQUITY AND LIABILITIES		28,883,995,798	26,959,843,804

The annexed notes form an integral part of these financial statements.

CHIEF EXECUTIVE

BALANCE SHEET

AS AT JUNE 30, 2016

	Note	2016 Rupees	2015 Rupees
ASSETS			
NON-CURRENT ASSETS			
Fixed assets	13	9,460,210,901	9,041,707,018
Investments in subsidiary companies	14	3,412,793,015	3,097,125,226
Long term loans to employees	15	14,941,891	5,684,723
Long term security deposits		20,769,440	20,769,440
		12,908,715,247	12,165,286,407
CURRENT ASSETS			
Stores, spare parts and loose tools	16	781,084,455	648,363,911
Stock-in-trade	17	6,857,956,934	6,018,822,041
Trade debts	18	5,198,890,821	4,758,163,523
Loans and advances	19	1,010,817,219	845,091,689
Short term prepayments		2,754,970	2,084,516
Other receivables	20	2,075,108,629	1,530,672,435
Short term investments	21	-	21,891,484
Cash and bank balances	22	48,667,523	969,467,798
		15,975,280,551	14,794,557,397
TOTAL ASSETS		28,883,995,798	26,959,843,804

DIRECTOR

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED JUNE 30, 2016

	Note	2016 Rupees	2015 Rupees
SALES	23	25,799,121,553	23,780,454,796
COST OF SALES	24	(23,343,603,779)	(21,823,679,749)
GROSS PROFIT		2,455,517,774	1,956,775,047
DISTRIBUTION COST	25	(738,168,261)	(679,819,787)
ADMINISTRATIVE EXPENSES	26	(168,988,341)	(179,111,133)
OTHER EXPENSES	27	(96,432,497)	(81,116,719)
		(1,003,589,099)	(940,047,639)
		1,451,928,675	1,016,727,408
OTHER INCOME	28	1,190,718,912	1,480,525,662
PROFIT FROM OPERATIONS		2,642,647,587	2,497,253,070
FINANCE COST	29	(1,029,629,378)	(1,353,885,574)
PROFIT BEFORE TAXATION		1,613,018,209	1,143,367,496
TAXATION	30	(284,243,516)	(342,947,481)
PROFIT AFTER TAXATION		1,328,774,693	800,420,015
			(Restated)
EARNINGS PER SHARE - BASIC AND DILUTED	31	5.59	3.79

The annexed notes form an integral part of these financial statements.

CHIEF EXECUTIVE

DIRECTOR

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED JUNE 30, 2016

	2016 Rupees	2015 Rupees
PROFIT AFTER TAXATION	1,328,774,693	800,420,015
OTHER COMPREHENSIVE INCOME		
Items that will not be reclassified to profit or loss	-	-
Items that may be reclassified subsequently to profit or loss	-	-
Other comprehensive income for the year	-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	1,328,774,693	800,420,015

The annexed notes form an integral part of these financial statements.

CHIEF EXECUTIVE

DIRECTOR

CASH FLOW STATEMENT

FOR THE YEAR ENDED JUNE 30, 2016

	Note	2016 Rupees	2015 Rupees
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations	32	1,012,051,252	2,195,065,081
Net increase in long term security deposits		-	(25,000)
Finance cost paid		(1,058,587,161)	(1,392,878,194)
Income tax paid		(423,214,291)	(480,241,585)
Net increase in long term loans to employees		(9,457,413)	(2,266,607)
Net cash (used in) / generated from operating activities		(479,207,613)	319,653,695
CASH FLOWS FROM INVESTING ACTIVITIES			
Capital expenditure on property, plant and equipment		(1,272,711,931)	(443,595,392)
Capital expenditure on intangible asset		(2,491,800)	-
Proceeds from disposal of operating fixed assets		68,780,909	29,770,295
Investments in subsidiary companies		(315,667,789)	(1,110,806,521)
Dividend received from subsidiary company		1,125,514,920	1,688,272,380
Short term investments matured		20,660,225	-
Profit on bank deposits received		1,415,072	2,377,346
Net cash (used in) / generated from investing activities		(374,500,394)	166,018,108
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from long term financing		812,980,000	-
Repayment of long term financing		(1,842,906,406)	(1,799,341,784)
Repayment of redeemable capital		(31,250,000)	(125,000,000)
Share deposit money received		49,128,425	951,794,725
Short term borrowings - net		1,302,971,555	1,636,867,915
Dividend paid		(358,015,842)	(198,763,536)
Net cash (used in) / generated from financing activities		(67,092,268)	465,557,320
Net (decrease) / increase in cash and cash equivalents		(920,800,275)	951,229,123
Cash and cash equivalents at the beginning of the year		969,467,798	18,238,675
Cash and cash equivalents at the end of the year		48,667,523	969,467,798

The annexed notes form an integral part of these financial statements.

CHIEF EXECUTIVE

DIRECTOR

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED JUNE 30, 2016

	SHARE CAPITAL	SHARE DEPOSIT MONEY	CAPITAL RESERVE	REVENUE RESERVES			TOTAL EQUITY
			Share premium	General reserve	Unappropriated profit	Total	
			----- Rupees -----				
Balance as at 30 June 2014	2,001,846,300	-	-	1,629,221,278	4,786,528,349	6,415,749,627	8,417,595,927
Transactions with owners:							
Final dividend for the year ended 30 June 2014 @ Rupee 1 per ordinary share	-	-	-	-	(200,184,630)	(200,184,630)	(200,184,630)
Share deposit money received during the year	-	951,794,725	-	-	-	-	951,794,725
	-	951,794,725	-	-	(200,184,630)	(200,184,630)	751,610,095
Profit for the year	-	-	-	-	800,420,015	800,420,015	800,420,015
Other comprehensive income for the year	-	-	-	-	-	-	-
Total comprehensive income for the year	-	-	-	-	800,420,015	800,420,015	800,420,015
Balance as at 30 June 2015	2,001,846,300	951,794,725	-	1,629,221,278	5,386,763,734	7,015,985,012	9,969,626,037
Transactions with owners:							
Final dividend for the year ended 30 June 2015 @ Rupees 1.5 per ordinary	-	-	-	-	(360,332,334)	(360,332,334)	(360,332,334)
Share deposit money received during the year	-	49,128,425	-	-	-	-	49,128,425
Issue of right shares during the year	400,369,260	(1,000,923,150)	600,553,890	-	-	-	-
	400,369,260	(951,794,725)	600,553,890	-	(360,332,334)	(360,332,334)	(311,203,909)
Profit for the year	-	-	-	-	1,328,774,693	1,328,774,693	1,328,774,693
Other comprehensive income for the year	-	-	-	-	-	-	-
Total comprehensive income for the year	-	-	-	-	1,328,774,693	1,328,774,693	1,328,774,693
Balance as at 30 June 2016	2,402,215,560	-	600,553,890	1,629,221,278	6,355,206,093	7,984,427,371	10,987,196,821

The annexed notes form an integral part of these financial statements.

CHIEF EXECUTIVE

DIRECTOR

1. THE COMPANY AND ITS OPERATIONS

Nishat (Chunian) Limited (“the Company”) is a public limited company incorporated in Pakistan under the Companies Ordinance, 1984 and is listed on Pakistan Stock Exchange Limited. Its registered office is situated at 31-Q, Gulberg II, Lahore. The Company is engaged in business of spinning, weaving, dyeing, printing, stitching, processing, doubling, sizing, buying, selling and otherwise dealing in yarn, fabrics and made-ups made from raw cotton, synthetic fibre and cloth and to generate, accumulate, distribute, supply and sell electricity.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented, unless otherwise stated:

2.1 Basis of preparation

a) Statement of compliance

These financial statements have been prepared in accordance with approved accounting standards as applicable in Pakistan. Approved accounting standards comprise of such International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board as are notified under the Companies Ordinance, 1984, provisions of and directives issued under the Companies Ordinance, 1984. In case requirements differ, the provisions or directives of the Companies Ordinance, 1984 shall prevail.

b) Accounting convention

These financial statements have been prepared under the historical cost convention except for the certain financial instruments carried at fair value.

c) Critical accounting estimates and judgments

The preparation of financial statements in conformity with the approved accounting standards requires the use of certain critical accounting estimates. It also requires the management to exercise its judgment in the process of applying the Company’s accounting policies. Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The areas where various assumptions and estimates are significant to the Company’s financial statements or where judgments were exercised in application of accounting policies are as follows:

Useful lives, patterns of economic benefits and impairment

Estimates with respect to residual values and useful lives and pattern of flow of economic benefits are based on the analysis of the management of the Company. Further, the Company reviews the value of assets for possible impairment on an annual basis. Any change in the estimates in the future might affect the carrying amount of respective item of property, plant and equipment, with a corresponding effect on the depreciation charge and impairment.

Inventories

Net realizable value of inventories is determined with reference to currently prevailing selling prices less estimated expenditure to make sales.

Accumulating compensated absences

The provision for accumulating compensated absences is made on the basis of accumulated leave balance on account of employees.

Taxation

In making the estimates for income tax currently payable by the Company, the management takes into account the current income tax law and the decisions of appellate authorities on certain issues in the past.

Provisions for doubtful debts

The Company reviews its receivables against any provision required for any doubtful balances on an ongoing basis. The provision is made while taking into consideration expected recoveries, if any.

Impairment of investments in subsidiary companies

In making an estimate of recoverable amount of the Company's investments in subsidiary companies, the management considers future cash flows.

d) Standards that are effective in current year and are relevant to the Company

The following standards are mandatory for the Company's accounting periods beginning on or after 01 July 2015:

IFRS 10 'Consolidated Financial Statements' (effective for annual periods beginning on or after 01 January 2015). Concurrent with the issuance of IFRS 10, the IASB has also issued IFRS 11 'Joint Arrangements', IFRS 12 'Disclosure of Interests in Other Entities', IAS 27 (revised 2011) 'Separate Financial Statements' and IAS 28 (revised 2011) 'Investments in Associates and Joint Ventures'. The objective of IFRS 10 is to have a single basis for consolidation for all entities, regardless of the nature of the investee, and that basis is control. The definition of control includes three elements: power over an investee, exposure or rights to variable returns of the investee and the ability to use power over the investee to affect the investor's returns. IFRS 10 replaces those parts of IAS 27 that address when and how an investor should prepare consolidated financial statements and replaces Standing Interpretations Committee (SIC) 12 'Consolidation – Special Purpose Entities' in its entirety. This standard does not have significant impact on these financial statements, except for certain additional disclosures.

IFRS 12 'Disclosures of Interests in Other Entities' (effective for annual periods beginning on or after 01 January 2015). This standard includes the disclosure requirements for all forms of interests in other entities, including joint arrangements, associates, special purpose vehicles and other off-balance sheet vehicles. This standard does not have significant impact on these financial statements, except for certain additional disclosures.

IFRS 13 'Fair value Measurement' (effective for annual periods beginning on or after 01 January 2015). This standard aims to improve consistency and reduce complexity by providing a precise definition of fair value and a single source of fair value measurement and disclosure requirements for use across IFRSs. The requirements, which are largely aligned between IFRSs and US GAAP, do not extend the use of fair value accounting but provide guidance on how it should be applied where its use is already required or permitted by other standards within IFRSs or US GAAP. This standard does not have significant impact on these financial statements, except for certain additional disclosures.

e) Standard and amendments to published standards that are effective in current year but not relevant to the Company

There are other standard and amendments to published standards that are mandatory for accounting periods beginning on or after 01 July 2015 but are considered not to be relevant or do not have any significant impact on the Company's financial statements and are therefore not detailed in these financial statements.

f) Standards and amendments to published approved accounting standards that are not yet effective but relevant to the Company

Following standards and amendments to existing standards have been published and are mandatory for the Company's accounting periods beginning on or after 01 July 2016 or later periods:

IFRS 9 'Financial Instruments' (effective for annual periods beginning on or after 01 January 2018). A finalized version of IFRS 9 which contains accounting requirements for financial instruments, replacing IAS 39 'Financial Instruments: Recognition and Measurement'. Financial assets are classified by reference to the business model within which they are held and their contractual cash flow characteristics. The 2014 version of IFRS 9 introduces a 'fair value through other comprehensive income' category for certain debt instruments. Financial liabilities are classified in a similar manner to under IAS 39, however there are differences in the requirements applying to the measurement of an entity's own credit risk. The 2014 version of IFRS 9 introduces an 'expected credit loss' model for the measurement of the impairment of financial assets, so it is no longer necessary for a credit event to have occurred before a credit loss is recognized. It introduces a new hedge accounting model that is designed to be more closely aligned with how entities undertake risk management activities when hedging financial and non-financial risk exposures. The requirements for the derecognition of financial assets and liabilities are carried forward from IAS 39. The management of the Company is in the process of evaluating the impacts of the aforesaid standard on the Company's financial statements.

IFRS 15 'Revenue from Contracts with Customers' (effective for annual periods beginning on or after 01 January 2018). IFRS 15 provides a single, principles based five-step model to be applied to all contracts with customers. The five steps in the model are: identify the contract with the customer; identify the performance obligations in the contract; determine the transaction price; allocate the transaction price to the performance obligations in the contracts; and recognize revenue when (or as) the entity satisfies a performance obligation. Guidance is provided on topics such as the point in which revenue is recognized, accounting for variable consideration, costs of fulfilling and obtaining a contract and various related matters. New disclosures about revenue are also introduced. The aforesaid standard is not expected to have a material impact on the Company's financial statements.

IFRS 16 'Lease' (effective for annual periods beginning on or after 01 January 2019). IFRS 16 specifies how an entity will recognize, measure, present and disclose leases. The standard provides a single lessee accounting model, requiring lessees to recognize assets and liabilities for all leases unless the lease term is 12 months or less or the underlying asset has a low value. Lessors continue to classify leases as operating or finance, with IFRS 16 approach to lessor accounting substantially unchanged from its predecessor, IAS 17 'Leases'. IFRS 16 replaces IAS 17, IFRIC 4 'Determining Whether an Arrangement Contains a Lease', SIC-15 'Operating Leases–Incentives' and SIC-27 'Evaluating the Substance of Transactions Involving the Legal Form of a Lease'. The management of the Company is in the process of evaluating the impacts of the aforesaid standard on the Company's financial statements.

IFRS 15 (Amendments), 'Revenue from Contracts with Customers' (effective for annual periods beginning on or after 01 January 2018). Amendments clarify three aspects of the standard (identifying performance obligations, principal versus agent considerations, and licensing) and to provide some transition relief for modified contracts and completed contracts. The aforesaid amendments are not expected to have a material impact on the Company's financial statements.

IAS 7 (Amendments), 'Statement of Cash Flows' (effective for annual periods beginning on or after 01 January 2017). Amendments have been made to clarify that entities shall provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities. The aforesaid amendments will result in certain additional disclosures in the Company's financial statements.

IAS 16 (Amendments) 'Property, Plant and Equipment' (effective for annual periods beginning on or after 01 January 2016). The amendments clarify that a depreciation method which is based on revenue, generated by an activity by using of an asset is not appropriate for property, plant and equipment; and add guidance that expected future reductions in the selling price of an item that was produced using an asset could indicate the expectation of technological or commercial obsolescence of the asset, which, in turn, might reflect a reduction of the future economic benefits embodied in the asset. However, the amendments are not expected to have a material impact on the Company's financial statements.

IAS 27 (Amendments) ‘Separate Financial Statements’ (effective for annual periods beginning on or after 01 January 2016). The amendments have been made to permit investments in subsidiaries, joint ventures and associates to be optionally accounted for using the equity method in separate financial statements. The management of the Company is in the process of evaluating the impacts of the aforesaid amendments on the Company’s financial statements.

Amendments to IFRS 10 and IAS 28 (deferred indefinitely) to clarify the treatment of the sale or contribution of assets from an investor to its associates or joint venture, as follows: require full recognition in the investor’s financial statements of gains and losses arising on the sale or contribution of assets that constitute a business (as defined in IFRS 3 ‘Business Combinations’); require the partial recognition of gains and losses where the assets do not constitute a business, i.e. a gain or loss is recognized only to the extent of the unrelated investors’ interests in that associate or joint venture. These requirements apply regardless of the legal form of the transaction, e.g. whether the sale or contribution of assets occur by an investor transferring shares in a subsidiary that holds the assets (resulting in loss of control of the subsidiary), or by the direct sale of the assets themselves. The management of the Company is in the process of evaluating the impacts of the aforesaid amendments on the Company’s financial statements.

On 25 September 2014, IASB issued Annual Improvements to IFRSs: 2012 – 2014 Cycle, incorporating amendments to four IFRSs more specifically in IAS 34 ‘Interim Financial Reporting’, which is considered relevant to the Company’s financial statements. These amendments are effective for annual periods beginning on or after 01 January 2016. The amendment is unlikely to have a significant impact on the Company’s financial statements and has therefore not been analyzed in detail.

g) Standard and amendments to published standards that are not yet and not considered relevant to the Company

There are other standard and amendments to published standards that are mandatory for accounting periods beginning on or after 01 July 2016 but are considered not to be relevant or do not have any significant impact on the Company’s financial statements and are therefore not detailed in these financial statements.

2.2 Taxation

Current

Provision for current tax is based on the taxable income for the year determined in accordance with the prevailing law for taxation of income. The charge for current tax is calculated using prevailing tax rates or tax rates expected to apply to the profit for the year if enacted. The charge for current tax also includes adjustments, where considered necessary, to provision for tax made in previous years arising from assessments framed during the year for such years.

Deferred

Deferred tax is accounted for using the balance sheet liability method in respect of all temporary differences arising from differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of the taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences and deferred tax assets to the extent that it is probable that taxable profits will be available against which the deductible temporary differences, unused tax losses and tax credits can be utilized.

Deferred tax is calculated at the rates that are expected to apply to the period when the differences reverse based on tax rates that have been enacted or substantively enacted by the balance sheet date. Deferred tax is charged or credited in the profit and loss account, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case the tax is also recognised in statement of comprehensive income or directly in equity, respectively.

2.3 Employee benefits

The main features of the schemes operated by the Company for its employees are as follows:

Provident fund

There is an approved contributory provident fund for employees of the Company. Equal monthly contributions are made both by the employees and the Company to the fund in accordance with the fund rules. The Company's contributions to the fund are charged to income currently.

Accumulating compensated absences

The Company provides for accumulating compensated absences, when the employees render service that increase their entitlement to future compensated absences. Under the rules, head office employees are entitled to 15 days leave per year while factory staff and factory workers are entitled to 14 days leave per year. Unutilized leaves can be accumulated up to 28 days in case of factory staff and factory workers. Any further un-utilized leaves will lapse. Any un-utilized leave balance can be encashed by them at any time during their employment. Unutilized leaves can be used at any time by all employees, subject to the Company's approval. Provisions are made annually to cover the obligation for accumulating compensated absences and are charged to income.

2.4 Fixed assets

Property, plant, equipment and depreciation

Property, plant and equipment except freehold land and capital work-in-progress are stated at cost less accumulated depreciation and any identified impairment loss. Cost in relation to certain property, plant and equipment signifies historical cost, borrowing cost pertaining to erection / construction period of qualifying assets and other directly attributable cost of bringing the asset to working condition. Freehold land and capital work-in-progress are stated at cost less any identified impairment loss.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and cost of the item can be measured reliably. All other repair and maintenance costs are charged to income during the period in which they are incurred.

Depreciation

Depreciation on all operating fixed assets is charged to income on the reducing balance method so as to write off the cost / depreciable amount of the assets over their estimated useful lives at the rates given in Note 13.1. Depreciation on additions is charged from the month in which the assets are available for use upto the month prior to disposal. The assets' residual values and useful lives are reviewed at each financial year end and adjusted if impact on depreciation is significant.

Derecognition

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and carrying amount of the asset) is included in the profit and loss account in the year the asset is derecognized.

Intangible asset

Intangible assets, which are non-monetary assets without physical substance, are recognized at cost, which comprise purchase price, non-refundable purchase taxes and other directly attributable expenditures relating to their implementation and customization. After initial recognition, an intangible asset is carried at cost less accumulated amortization and impairment losses, if any. Intangible assets are amortized from the month, when these assets are available for use, using the straight line method, whereby the cost of the intangible asset is amortized over its estimated useful life over which economic benefits are expected to flow to the Company. The useful life and amortization method are reviewed and adjusted, if appropriate, at each reporting date.

2.5 Ijarah transactions

Ujrah (lease) payments are recognized as expenses in profit and loss account on a straight-line basis over the Ijarah term unless another systematic basis is representative of the time pattern of the user's benefit even if the payments are not on that basis.

2.6 Investments

Classification of an investment is made on the basis of intended purpose for holding such investment. Management determines the appropriate classification of its investments at the time of purchase and re-evaluates such designation on regular basis.

Investments are initially measured at fair value plus transaction costs directly attributable to acquisition, except for 'investment at fair value through profit or loss' which is measured initially at fair value.

The Company assess at the end of each reporting period whether there is any objective evidence that investments are impaired. If any such evidence exists, the Company applies the provisions of IAS 39 'Financial Instruments: Recognition and Measurement' to all investments, except investments in subsidiary companies, which are tested for impairment in accordance with the provisions of IAS 36 'Impairment of Assets'.

a) Investment at fair value through profit or loss

Investment classified as held-for-trading and those designated as such are included in this category. Investments are classified as held-for-trading if these are acquired for the purpose of selling in the short term. Gains or losses on investments held-for-trading are recognized in profit and loss account.

b) Held-to-maturity

Investments with fixed or determinable payments and fixed maturity are classified as held-to-maturity when the Company has the positive intention and ability to hold to maturity. Investments intended to be held for an undefined period are not included in this classification. Other long-term investments that are intended to be held to maturity are subsequently measured at amortized cost. This cost is computed as the amount initially recognized minus principal repayments, plus or minus the cumulative amortization, using the effective interest method, of any difference between the initially recognized amount and the maturity amount. For investments carried at amortized cost, gains and losses are recognized in profit and loss account when the investments are de-recognized or impaired, as well as through the amortization process.

c) Investments in subsidiary companies

Investments in subsidiary companies are stated at cost less impairment loss, if any, in accordance with the provisions of IAS 27 'Separate Financial Statements'.

d) Available-for-sale

Investments intended to be held for an indefinite period of time, which may be sold in response to need for liquidity, or changes to interest rates or equity prices are classified as available-for-sale. After initial recognition, investments which are classified as available-for-sale are measured at fair value. Gains or losses on available-for-sale investments are recognized directly in statement of comprehensive income until the investment is sold, de-recognized or is determined to be impaired, at which time the cumulative gain or loss previously reported in statement of comprehensive income is included in profit and loss account. These are sub-categorized as under:

Quoted

For investments that are actively traded in organized capital markets, fair value is determined by reference to stock exchange quoted market bids at the close of business on the balance sheet date.

Unquoted

Fair value of unquoted investments is determined on the basis of appropriate valuation techniques as allowed by IAS 39 'Financial Instruments: Recognition and Measurement'.

2.7 Inventories

Inventories, except for stock-in-transit and waste stock, are stated at lower of cost and net realizable value. Cost is determined as follows:

Stores, spare parts and loose tools

Usable stores, spare parts and loose tools are valued principally at weighted average cost, while items considered obsolete are carried at nil value. Items-in-transit are valued at cost comprising invoice value plus other charges paid thereon.

Stock-in-trade

Cost of raw materials is measured using the weighted average cost formula.

Cost of work-in-process and finished goods comprise cost of direct material, labour and appropriate manufacturing overheads. Cost of goods purchased for resale is based on first-in-first-out (FIFO) cost formula.

Materials-in-transit are stated at cost comprising invoice values plus other charges paid thereon. Waste stock is valued at net realizable value.

Net realizable value signifies the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

2.8 Foreign currencies

These financial statements are presented in Pak Rupees, which is the Company's functional currency. All monetary assets and liabilities denominated in foreign currencies are translated into Pak Rupees at the rates of exchange prevailing at the balance sheet date, while the transactions in foreign currencies during the year are initially recorded in functional currency at the rates of exchange prevailing at the transaction date. All non-monetary items are translated into Pak Rupees at exchange rates prevailing on the date of transaction or on the date when fair values are determined. Exchange gains and losses are included in the income currently.

2.9 Borrowing cost

Borrowing costs are recognized as expense in the period in which these are incurred except to the extent of borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset. Such borrowing costs, if any, are capitalized as part of cost of that asset.

2.10 Revenue recognition

Revenue from sales is recognized on dispatch of goods to customers.

Return on bank deposits is accrued on a time proportionate basis by reference to the principal outstanding and the applicable rate of return.

Revenue from sale of electricity is recognized at the time of transmission.

Dividend income on equity investment is recognized as and when the right to receive dividend is established.

2.11 Share capital

Ordinary shares and irredeemable preference shares are classified as equity. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from the proceeds.

2.12 Financial instruments

Financial instruments carried on the balance sheet include security deposits, trade debts, loans and advances, other receivables, cash and bank balances, short term borrowings, long term financing, accrued mark-up and trade and other payables. Financial assets and liabilities are recognized when the Company becomes a party to the contractual provisions of the instrument. Initial recognition is made at fair value plus transaction costs directly attributable to acquisition, except for 'financial instrument at fair value through profit or loss' which is measured initially at fair value.

Financial assets are de-recognized when the Company loses control of the contractual rights that comprise the financial asset. The Company loses such control if it realizes the rights to benefits specified in contract, the rights expire or the Company surrenders those rights. Financial liabilities are de-recognized when the obligation specified in the contract is discharged, cancelled or expired. Any gain or loss on subsequent measurement (except available for sale investments) and de-recognition is charged to the profit or loss currently. The particular measurement methods adopted are disclosed in the individual policy statements associated with each item and in the accounting policy of investments.

2.13 Trade debts and other receivables

Trade debts and other receivables are carried at original invoice value less an estimate made for doubtful debts based on a review of all outstanding amounts at the year end. Bad debts are written off when identified.

2.14 Borrowings

Borrowings are recognized initially at fair value and are subsequently stated at amortized cost. Any difference between the proceeds and the redemption value is recognized in the profit and loss account over the period of the borrowings using the effective interest rate method.

2.15 Trade and other payables

Liabilities for trade and other amounts payable are initially recognized at fair value which is normally the transaction cost.

2.16 Off setting

Financial assets and financial liabilities are set off and the net amount is reported in the financial statements when there is a legal enforceable right to set off and the Company intends either to settle on a net basis or to realize the assets and to settle the liabilities simultaneously.

2.17 Cash and cash equivalents

Cash and cash equivalents are carried in the balance sheet at book value which approximates their fair value. For the purpose of cash flow statement, cash and cash equivalents comprise cash in hand, cash at banks on current, saving and deposit accounts, other short term highly liquid instruments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

2.18 Non-current assets held for sale

Non-current assets are classified as assets held for sale and stated at the lower of carrying amount and fair value less costs to sell if their carrying amount is to be recovered principally through a sale transaction rather than through continuing use.

2.19 Derivative financial instruments

Derivative financial instruments are initially recognized at fair value on the date a derivative contract is entered into and are remeasured to fair value at subsequent reporting dates. The method of recognizing the resulting gain or loss depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged. The Company designates certain derivatives as cash flow hedges.

The Company documents at the inception of the transaction the relationship between the hedging instruments and hedged items, as well as its risk management objective and strategy for undertaking various hedge transactions. The Company also documents its assessment, both at hedge inception and on an ongoing basis, of whether the derivatives that are used in hedging transactions are highly effective in offsetting changes in cash flow of hedged items.

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges are recognized in statement of comprehensive income. The gain or loss relating to the ineffective portion is recognized immediately in the profit and loss account.

Amounts accumulated in equity are recognized in profit and loss account in the periods when the hedged item will affect profit or loss.

2.20 Provisions

Provisions are recognized when the Company has a legal or constructive obligation as a result of past events and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligations and a reliable estimate of the amount can be made.

2.21 Impairment

a) Financial assets

A financial asset is considered to be impaired if objective evidence indicate that one or more events had a negative effect on the estimated future cash flows of that asset.

An impairment loss in respect of a financial asset measured at amortized cost is calculated as a difference between its carrying amount and the present value of estimated future cash flows discounted at the original effective interest rate. An impairment loss in respect of available for sale financial asset is calculated by reference to its current fair value.

Individually significant financial assets are tested for impairment on an individual basis. The remaining financial assets are assessed collectively in groups that share similar credit risk characteristics.

b) Non-financial assets

The carrying amounts of the Company's assets are reviewed at each balance sheet date to determine whether there is any indication of impairment. If such indication exists, the recoverable amount of such asset is estimated. An impairment loss is recognized wherever the carrying amount of the asset exceeds its recoverable amount. Impairment losses are recognized in profit and loss account. A previously recognized impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognized. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in profit and loss account.

2.22 Segment reporting

Segment reporting is based on the operating (business) segments of the Company. An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to the transactions with any of the Company's other components. An operating

segment's operating results are reviewed regularly by the chief executive to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

Segment results that are reported to the chief executive include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Those incomes, expenses, assets, liabilities and other balances which cannot be allocated to a particular segment on a reasonable basis are reported as unallocated.

The Company has four reportable business segments. Spinning (Producing different quality of yarn using natural and artificial fibres), Weaving (Producing different quality of greige fabric using yarn), Processing and Home Textile (Processing greige fabric for production of printed and dyed fabric and manufacturing of home textile articles) and Power Generation (Generating and distributing power).

Transaction among the business segments are recorded at arm's length prices using admissible valuation methods. Inter segment sales and purchases are eliminated from the total.

2.23 Dividend to ordinary shareholders and other appropriations

Dividend distribution to the ordinary shareholders is recognized as a liability in the Company's financial statements in period in which the dividends are declared and other appropriations are recognized in the period in which these are approved by the Board of Directors.

3. AUTHORIZED SHARE CAPITAL

2016 (Number of shares)	2015 (Number of shares)		2016 Rupees	2015 Rupees
280,000,000	280,000,000	Ordinary shares of Rupees 10 each	2,800,000,000	2,800,000,000
20,000,000	20,000,000	Preference shares of Rupees 10 each	200,000,000	200,000,000
300,000,000	300,000,000		3,000,000,000	3,000,000,000

4. ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL

2016 (Number of shares)	2015 (Number of shares)		2016 Rupees	2015 Rupees
134,757,848	94,720,922	Ordinary shares of Rupees 10 each fully paid in cash	1,347,578,480	947,209,220
104,239,443	104,239,443	Ordinary shares of Rupees 10 each issued as fully paid bonus shares	1,042,394,430	1,042,394,430
1,224,265	1,224,265	Ordinary shares of Rupees 10 each issued as fully paid for consideration other than cash to members of Umer Fabrics Limited as per the Scheme of Arrangement as approved by the Honourable Lahore High Court, Lahore	12,242,650	12,242,650
240,221,556	200,184,630		2,402,215,560	2,001,846,300

4.1 Ordinary shares of the Company held by companies that are related parties:

	2016 (Number of shares)	2015 (Number of shares)
Nishat Mills Limited	32,689,338	27,241,116
D.G. Khan Cement Company Limited	7,274,602	6,062,169
	39,963,940	33,303,285

	2016 Rupees	2015 Rupees

4.2 Movement during the year

2016 (Number of shares)	2015 (Number of shares)		2016 Rupees	2015 Rupees
200,184,630	200,184,630	At 01 July	2,001,846,300	2,001,846,300
40,036,926	-	Issue of right shares of Rupees 10 each at premium (Note 5)	400,369,260	-
240,221,556	200,184,630	At 30 June	2,402,215,560	2,001,846,300

5. SHARE DEPOSIT MONEY

Board of Directors of the Company in its meeting held on 20 April 2015 resolved to increase the issued, subscribed and paid-up share capital of the Company from Rupees 2,001,846,300 to Rupees 2,402,215,560 divided into 240,221,556 shares of Rupees 10 each by issue of 40,036,926 ordinary right shares at Rupees 25 per share including a premium of Rupees 15 per share to the members of the Company in the proportion of 20 right shares for every 100 ordinary shares. A separate bank account was opened for collection of share subscription money from right shares issued to existing shareholders. The funds generated from right issue were made available to the Company on 10 July 2015 after the requirement of stock exchanges relating to confirmation of receipt of the full amount of right issue was fulfilled. Return of allotment was duly filed on 30 July 2015.

	2016 Rupees	2015 Rupees
6. RESERVES		
Composition of reserves is as follows:		
Capital reserve		
Share premium	600,553,890	-
Revenue reserves		
General reserve	1,629,221,278	1,629,221,278
Unappropriated profit	6,355,206,093	5,386,763,734
	7,984,427,371	7,015,985,012
	8,584,981,261	7,015,985,012
7. LONG TERM FINANCING		
From banking companies / financial institutions - secured		
Long term loans (Note 7.1)	3,501,105,000	4,416,031,406
Long term musharaka (Note 7.2)	160,000,000	275,000,000
	3,661,105,000	4,691,031,406
Less: Current portion shown under current liabilities (Note 11)		
Long term loans	1,501,910,167	1,670,130,679
Long term musharaka	80,000,000	115,000,000
	1,581,910,167	1,785,130,679
	2,079,194,833	2,905,900,727

7.1 Long term loans

LENDER	2016	2015	RATE OF MARK-UP PER ANNUM	NUMBER OF INSTALLMENTS	MARK-UP REPRICING	MARK-UP PAYABLE
	Rupees	Rupees				
Standard Chartered Bank (Pakistan) Limited	687,500,000	937,500,000	3-month KIBOR + 0.75%	Sixteen equal quarterly instalments commenced on 04 May 2015 and ending on 04 February 2019.	Quarterly	Quarterly
United Bank Limited	93,750,000	218,750,000	3-month KIBOR + 1.25%	Sixteen equal quarterly instalments commenced on 09 June 2013 and ending on 09 March 2017.	Quarterly	Quarterly
Allied Bank Limited-1	125,000,000	250,000,000	3-month KIBOR + 1.25%	Sixteen equal quarterly instalments commenced on 06 September 2013 and ending on 06 June 2017.	Quarterly	Quarterly
Allied Bank Limited-2	150,000,000	450,000,000	3-month KIBOR + 1.25%	Sixteen equal quarterly instalments commenced on 28 February 2013 and ending on 29 November 2016.	Quarterly	Quarterly
Allied Bank Limited-3	30,872,000	-	SBP rate for LTFF + 1%	Sixteen equal quarterly instalments commencing on 22 July 2016 and ending on 21 April 2020.	-	Quarterly
Allied Bank Limited-4	144,000,000	-	SBP rate for LTFF + 1%	Sixteen equal quarterly instalments commencing on 02 April 2017 and ending on 31 December 2020.	-	Quarterly
Allied Bank Limited-5	155,000,000	-	SBP rate for LTFF + 1%	Sixteen equal quarterly instalments commencing on 02 April 2017 and ending on 31 December 2020.	-	Quarterly
Allied Bank Limited-6	70,128,000	-	SBP rate for LTFF + 1%	Sixteen equal quarterly instalments commencing on 01 April 2017 and ending on 02 January 2021.	-	Quarterly
Askari Bank Limited	297,500,000	-	3-month KIBOR + 0.70%	Twenty equal quarterly instalments commenced on 08 December 2015 and ending on 08 September 2020.	Quarterly	Quarterly
Pak Kuwait Investment Company (Private) Limited-1	-	27,777,792	6-month KIBOR + 2%	Eighteen equal quarterly instalments commenced on 21 September 2011 and ended on 21 December 2015.	Half Yearly	Quarterly
Pak Kuwait Investment Company (Private) Limited-2	62,980,000	-	SBP rate for LTFF + 0.75%	Eighteen equal quarterly instalments commencing on 16 November 2016 and ending on 16 February 2021.	-	Quarterly
The Bank of Punjab-1	-	33,750,000	SBP rate for LTFF + 2.5%	Sixteen equal quarterly instalments commenced on 15 January 2012 and ended on 15 October 2015.	-	Quarterly
The Bank of Punjab-2	150,000,000	250,000,000	3-month KIBOR + 0.75%	Ten equal half yearly instalments commenced on 17 June 2013 and ending on 17 December 2017.	Quarterly	Quarterly
The Bank of Punjab-3	400,000,000	600,000,000	3-month KIBOR + 0.75%	Ten equal half yearly instalments commenced on 10 December 2013 and ending on 10 June 2018.	Quarterly	Quarterly
Samba Bank Limited	187,500,000	312,500,000	3-month KIBOR + 0.75%	Sixteen equal quarterly instalments commenced on 28 February 2014 and ending on 31 October 2017.	Quarterly	Quarterly
Saudi Pak Industrial and Agricultural Investment Company Limited	-	26,378,614	SBP rate for LTFF+ 3%	Eighteen equal quarterly instalments commenced on 31 May 2012 and ending on 31 August 2016. However, the Company has made early repayment of loan during the year.	-	Quarterly
Soneri Bank Limited	46,875,000	109,375,000	3-month KIBOR + 1%	Sixteen equal quarterly instalments commenced on 30 April 2013 and ending on 31 January 2017.	Quarterly	Quarterly

Syndicated term finance						
Allied Bank Limited	660,000,000	880,000,000	3-month KIBOR + 1%	Ten equal half yearly instalments commenced on 27 December 2014 and ending on 27 June 2019.	Quarterly	Quarterly
Habib Bank Limited	180,000,000	240,000,000	3-month KIBOR + 1%	Ten equal half yearly instalments commenced on 27 December 2014 and ending on 27 June 2019.	Quarterly	Quarterly
Habib Metropolitan Bank Limited	60,000,000	80,000,000	3-month KIBOR + 1%	Ten equal half yearly instalments commenced on 27 December 2014 and ending on 27 June 2019.	Quarterly	Quarterly
	900,000,000	1,200,000,000				
	3,501,105,000	4,416,031,406				

7.2 Long term musharaka

LENDER	2016	2015	RATE OF PROFIT PER ANNUM	NUMBER OF INSTALLMENTS	PROFIT REPRICING	PROFIT PAYABLE
	Rupees	Rupees				
Burj Bank Limited	-	35,000,000	6-month KIBOR + 1%	Sixteen equal quarterly instalments commenced on 30 September 2012 and ended on 30 June 2016.	Half Yearly	Quarterly
Dubai Islamic Bank (Pakistan) Limited	160,000,000	240,000,000	6-month KIBOR + 0.75%	Ten equal half yearly instalments commenced on 29 September 2013 and ending on 29 March 2018.	Half Yearly	Half Yearly
	160,000,000	275,000,000				

7.3 Long term loans are secured by first joint pari passu hypothecation and equitable mortgage on all present and future fixed assets of the Company to the extent of Rupees 8,874.53 million (2015: Rupees 8,874.53 million) and ranking charge on all present and future fixed assets of the Company to the extent of Rupees 2,333.343 million (2015: Rupees Nil).

7.4 Long term musharaka are secured by first joint pari passu hypothecation and equitable mortgage on all present and future fixed assets of the Company to the extent of Rupees 756.667 million (2015: Rupees 756.667 million).

7.5 Redeemable capital - privately placed term finance certificates have been fully repaid during the year. These were secured by first joint pari passu hypothecation and equitable mortgage on all present and future fixed assets of the Company to the extent of Rupees 291.667 million (2015: Rupees 291.667 million). Formalities for satisfaction of charge are in process.

		2016 Rupees	2015 Rupees
8.	**TRADE AND OTHER PAYABLES**		
	Creditors (Note 8.1)	976,714,355	326,499,751
	Accrued liabilities	738,541,501	753,548,992
	Advances from customers	69,011,424	28,252,171
	Securities from contractors - interest free and repayable on completion of contracts	3,960,588	3,658,533
	Retention money	6,170,126	7,121,026
	Income tax deducted at source	21,545,102	24,454,465
	Unclaimed dividend	26,725,791	24,409,298
	Unclaimed preference dividend	-	-
	Workers' profit participation fund (Note 8.2)	85,243,208	60,344,322
	Workers' welfare fund	21,681,803	21,681,803
	Others	23,033,340	28,913,033
		1,972,627,238	1,278,883,394

8.1 It includes Rupees 3.025 million (2015: Rupees 2.406 million) due to related parties.

8.2	**Workers' profit participation fund**		
	Balance as at 01 July	60,344,322	48,963,705
	Add: Interest for the year (Note 29)	6,602,743	3,174,627
	Add: Allocation for the year (Note 27)	85,243,208	60,344,322
		152,190,273	112,482,654
	Less : Payments during the year	66,947,065	52,138,332
	Balance as at 30 June	85,243,208	60,344,322

8.2.1 The Company retains workers' profit participation fund for its business operations till the date of allocation to workers. Interest is paid at prescribed rate under the Companies Profit (Workers' Participation) Act, 1968 on funds utilized by the Company till the date of allocation to workers.

		2016 Rupees	2015 Rupees
9.	**ACCRUED MARK-UP**		
	Long term financing	35,558,410	56,741,818
	Redeemable capital	-	7,926
	Short term borrowings	107,425,807	115,192,256
		142,984,217	171,942,000

		2016 Rupees	2015 Rupees
10.	**SHORT TERM BORROWINGS**		
	From banking companies - secured		
	Short term running finances (Notes 10.1 and 10.2)	2,127,918,129	1,009,619,118
	Export finances - Preshipment / SBP refinance (Notes 10.1 and 10.3)	5,222,164,393	7,317,491,849
	Other short term finances (Notes 10.1 and 10.4)	4,770,000,000	2,490,000,000
		12,120,082,522	10,817,110,967

10.1 These finances are obtained from banking companies under mark-up arrangements and are secured by hypothecation of all present and future current assets of the Company and lien on export bills to the extent of Rupees 25,462 million (2015: Rupees 23,864 million) and ranking charge on all present and future current assets of the Company to the extent of Rupees 534 million (2015: Rupees 2,600 million). These form part of total credit facilities of Rupees 19,065 million (2015: Rupees 18,815 million).

10.2 The rates of mark-up range from 6.60% to 8.74% (2015: 7.31% to 9.45%) per annum on the balance outstanding.

10.3 The rates of mark-up on Pak Rupee finances and US Dollar finances range from 2.95% to 6.46% (2015: 5.50% to 7.25%) per annum and 1.15% to 1.45% (2015: 1.90% to 3.33%) per annum respectively on the balance outstanding.

10.4 The rates of mark-up range from 6.27% to 6.61% (2015: 7.13% to 8.38%) per annum on the balance outstanding.

	2016 Rupees	2015 Rupees
11. CURRENT PORTION OF NON-CURRENT LIABILITIES		
Current portion of long term financing (Note 7)	1,581,910,167	1,785,130,679
Current portion of redeemable capital (Note 7.5)	-	31,250,000
	1,581,910,167	1,816,380,679

12. CONTINGENCIES AND COMMITMENTS

12.1 Contingencies

12.1.1 The Company preferred appeal against the Government of Punjab in the Honourable Lahore High Court, Lahore against imposition of electricity duty on internal generation and the writ petition has been accepted. However, Government of Punjab has moved to the Honourable Supreme Court of Pakistan against the order of Honourable Lahore High Court, Lahore. The Company has fully provided its liability in respect of electricity duty on internal generation. As at the reporting date, an amount of Rupees 54.941 million (2015: Rupees 45.401 million) is payable on this account but the management of the Company is confident that payment of electricity duty will not be required.

12.1.2 The Collectorate of Customs (Export) has issued show cause notices with the intention to reject the duty draw back claims aggregating to Rupees 9.482 million on blended grey fabrics exported under Duty and Tax Remission Rules for Export (DTRE) scheme. The department is of the view that the Company has not submitted Appendix-1 as per Rule 297-A of the above referred scheme. The Company considers that since it has taken benefit of remission of sales tax only, it is entitled to full duty draw back and filed appeal before Appellate Tribunal Inland Revenue (ATIR), Karachi Bench which was decided against the Company. The Company also applied to Federal Board of Revenue (FBR) to constitute Alternate Dispute Resolution Committee (ADRC) in terms of section 195C of the Customs Act, 1969 to settle the dispute. ADRC vide its order dated 16 April 2008 has recommended the case in favour of the Company and forwarded the case to FBR. However, FBR has not accepted the recommendations of ADRC. The Company has now filed appeal before the Honourable High Court of Sindh against the order of ATIR, where the case is pending.

12.1.3 The Company impugned selection of its tax affairs for audit in terms of section 177 of the Income Tax Ordinance, 2001 for tax year 2009 in Honourable Lahore High Court, Lahore through writ petition. After dismissal of writ petition by the Honourable Lahore High Court, Lahore, the tax department has completed the audit of tax year 2009 of income tax affairs of the Company and Deputy Commissioner Inland Revenue (DCIR) has passed an order under sections 122(1)/122(5) of the Income Tax Ordinance, 2001 creating a tax demand of Rupees 6.773 million. The Company has filed appeal before Commissioner Inland Revenue (Appeals) [CIR(A)] against the decision of DCIR which is pending adjudication. No provision against this demand has been in these financial statements as the Company is hopeful of a favourable outcome of appeal based on the opinion of the tax advisor.

12.1.4 As a result of withholding tax audit for the tax year 2006, DCIR has raised a demand of Rupees 32.156 million under sections 161 and 205 of the Income Tax Ordinance, 2001. The Company is in appeal before ATIR as its appeal before Commissioner Inland Revenue (Appeals) [CIR(A)] was unsuccessful. The Company expects a favourable outcome of the appeal based on advice of the tax counsel. The Company also challenged the initiation of proceedings, under section 161 and 205 of the Income Tax Ordinance, 2001 pertaining to tax years 2007, 2008, 2009, 2010, 2011 and 2012 in the Honourable Lahore High Court, Lahore through a writ petition. The Honourable Lahore High Court, Lahore directed the Tax Department to issue notice for reconciliation and in case default is established only then action under section 205 of the Income Tax Ordinance, 2001 can be taken. The Company also filed intra court appeals to the Honourable Lahore High Court, Lahore, which were dismissed. Against this dismissal, appeal has been filed before the Supreme Court of Pakistan which is pending adjudication. The management of the Company believes that the expected favourable outcome of its appeal before ATIR, in respect of tax year 2006 on same issues, will dispose of the initiation of these proceedings.

12.1.5 The Company is in appeal before ATIR as its appeal before CIR(A) against the order of Additional Commissioner Inland Revenue (ACIR) was unsuccessful. ACIR has passed an order under section 122(5A) of the Income Tax Ordinance, 2001 for tax year 2011 whereby a demand of Rupees 6.822 million has been raised. No provision against the demand has been made in these financial statements as the Company is hopeful of a favourable outcome of appeal based on opinion of the tax advisor.

12.1.6 The Deputy Collector (Refund – Gold) by order dated 16 May 2007 rejected the input tax claim of the Company, for the month of June 2005, amounting to Rupees 1.604 million incurred in zero rated local supplies of textile and articles thereof on the grounds that the input tax claim is in contravention of SRO 992(I)/2005 which states that no registered person engaged in the export of specified goods (including textile and articles thereof) shall, either through zero-rating or otherwise, be entitled to deduct or reclaim input tax paid in respect of stocks of such goods acquired up to 05 June 2005, if not used for the purpose of exports made up to the 31 December 2005. The appeal of the Company before ATIR was successful and input tax claim of the Company is expected to be processed after necessary verification in this regard. Pending the outcome of verification no provision for inadmissible input tax has been recognized in these financial statements.

12.1.7 The ACIR through an order under section 161/205 of the Income Tax Ordinance, 2001 created a demand of Rs 147.745 million for tax year 2012 on account of alleged non-deduction of income tax on payments against the heads commission to selling agents on exports and export marketing expenses. Being aggrieved, the Company filed an appeal before CIR(A), who vide order dated 09 June 2016 accepted the stance of the Company and deleted the demand related to commission to selling agents on exports, whereas, with respect to export marketing expenses, CIR(A) remanded back the case to ACIR. However, the Company has filed appeal before ATIR which is pending for fixation. Based on grounds and facts, the appeal is likely to be decided in favour of the Company.

12.1.8 The Company filed appeal before CIR(A) against the order of ACIR. ACIR passed an order under section 122(5A) of the Income Tax Ordinance, 2001 for tax year 2012 whereby a demand of Rupees 125.162 million has been raised. CIR(A) vide order dated 29 June 2016 has deleted some of the additions made by ACIR. Being aggrieved by the order of CIR(A), the Company as well as the tax department have preferred appeals before the ATIR which are pending adjudication. No provision against this demand has been in these financial statements as the Company is hopeful for a favourable outcome of appeal based on the opinion of the tax advisor.

12.1.9 The Company impugned selection of its tax affairs for audit in terms of section 214C of the Income Tax Ordinance, 2001 for tax year 2013. The matter was raised before the Member Inland Revenue - Taxpayers Audit for exclusion of the Company's name from list of cases selected for audit. The application before Member Inland Revenue was dismissed. Subsequently, the Company got stay from Honorable Lahore High Court, Lahore.

12.1.10 The Deputy Commissioner Inland Revenue passed an order under sections 161/205 of the Income Tax Ordinance, 2001 creating a demand of Rupees 19.073 million for the tax year 2014. The Company preferred an appeal against this order before CIR (A). The CIR (A) adjudicated that impugned order is unsustainable and remanded back the matter to taxation officer for consideration of legal grounds and merits of the case. The Company has also filed an appeal before ATIR against the order of CIR (A). The proceedings before both forums are pending for adjudication. No provision against this demand has been made in these financial statements as the Company is confident of favorable outcome of its appeals.

12.1.11 Through show cause notice, the Collector of Customs, Karachi raised demand of Rupees 23.585 million on the grounds that the Company was not entitled for exemption of sales tax and facility of reduced rate of income tax on 13 consignments of cotton imported during the period from April 2013 to April 2014. The vires of show cause notice were challenged in Honorable Sindh High Court at Karachi from where stay was granted with the direction to the Collector that he will not pass final order pursuant to the impugned show cause notice particularly in respect of advance income tax till next date of hearing. In spite of the categorical orders of the Honorable High Court, the Collector passed order, creating the demand of the aforesaid amount. Appeal against the said order has been filed in Appellate Tribunal Inland Revenue, Karachi but has not been decided. There is sufficient case law on the subject and there is every likelihood that the case will be decided in favour of the Company.

12.1.12 The Company is contesting sales tax demands / rejections of sales tax by taxation authorities amounting to Rupees 89.605 million at various forums. These demands have been raised on account of various issues, like refund of sales tax on purchases of furnace oil and diesel, non-provision of documents against certain refund processing system objections and supplies made to certain parties. No provision against the aforesaid demands has been made in these financial statements as the management is confident of favourable outcome of its appeals based on advice of the legal counsel. Further, audit of sales tax records of the Company for the financial year ended 30 June 2014 is in progress and the Company has submitted record to the tax department as per directions of the Honorable Lahore High Court, Lahore. The Honorable High Court has directed the tax department not to pass final order.

12.1.13 The Company is in appeal before CIR(A) against the order of ACIR. The ACIR has passed an order under section 122(5A) of the Income Tax Ordinance, 2001 for tax year 2013 whereby a demand of Rupees 27.845 million has been raised. No provision against this demand has been in these financial statements as the Company is hopeful for a favourable outcome of appeal based on the opinion of the tax advisor.

12.1.14 Guarantees of Rupees 347.051 million (2015: Rupees 322.130 million) have been issued by the banks of the Company to Sui Northern Gas Pipelines Limited against gas connections, Shell Pakistan Limited against purchase of furnace oil and Lahore Electric Supply Company Limited against electricity connection.

12.1.15 Guarantees of Rupees 156 million (2015: Rupees 116 million) have been issued by the banks of the Company to Director, Excise and Taxation, Karachi against disputed amount of infrastructure cess.

12.1.16 Post dated cheques have been issued to custom authorities in respect of duties amounting to Rupees 1,893.971 million (2015: Rupees 584.887 million) on imported material availed on the basis of consumption and export plans. In the event the documents of exports are not provided on due dates, cheque issued as security shall be encashable.

12.1.17 The Company has issued cross corporate guarantees of Rupees 13.7 billion (2015: Rupees 7.8 billion) on behalf of NC Electric Company Limited - wholly owned subsidiary company to secure the obligations of subsidiary company towards its lenders.

12.2 Commitments

12.2.1 Contracts for capital expenditure amounting to Rupees 1,097.026 million (2015: Rupees 754.881 million).

12.2.2 Letters of credit other than for capital expenditure amounting to Rupees 764.750 million (2015: Rupees 447.168 million).

12.2.3 Outstanding foreign currency forward contracts of Rupees 4,109.245 million (2015: Rupees 3,689.586 million).

13. FIXED ASSETS

	2016 Rupees	2015 Rupees
Property, plant and equipment:		
Operating fixed assets (Note 13.1)	9,417,927,801	8,939,798,687
Capital work-in-progress (Note 13.2)	37,263,352	95,677,887
	9,455,191,153	9,035,476,574
Intangible asset:		
Computer software (Note 13.1)	5,019,748	6,230,444
	9,460,210,901	9,041,707,018

13.1 Reconciliations of carrying amounts of operating fixed assets and intangible asset at the beginning and at the end of the year are as follows:

Description	Operating fixed assets										Intangible asset
	Freehold land	Buildings on freehold land	Plant and machinery	Standby equipment	Electric installations	Factory equipment	Furniture, fixture and equipment	Office equipment	Motor vehicles	Total	Computer software
	Rupees										
At 30 June 2014											
Cost	595,984,935	2,411,582,142	11,092,467,137	33,198,206	437,287,549	209,266,645	69,553,813	68,985,787	145,094,450	15,063,420,664	15,249,614
Accumulated depreciation / amortization	-	(892,314,341)	(5,269,418,319)	(19,548,671)	(139,270,515)	(97,315,039)	(35,846,429)	(27,248,193)	(69,748,894)	(6,550,710,401)	(6,143,580)
Net book value	595,984,935	1,519,267,801	5,823,048,818	13,649,535	298,017,034	111,951,606	33,707,384	41,737,594	75,345,556	8,512,710,263	9,106,034
Year ended 30 June 2015											
Opening net book value	595,984,935	1,519,267,801	5,823,048,818	13,649,535	298,017,034	111,951,606	33,707,384	41,737,594	75,345,556	8,512,710,263	9,106,034
Additions	38,377,128	506,429,602	462,175,468	-	128,964,682	31,162,332	14,186,549	9,099,683	17,711,904	1,208,107,348	-
Disposals:											
Cost	-	-	(4,392,824)	-	-	-	(201,036)	(6,071,099)	(36,008,896)	(46,673,855)	-
Accumulated depreciation	-	-	355,087	-	-	-	108,848	2,803,417	21,523,535	24,790,887	-
	-	-	(4,037,737)	-	-	-	(92,188)	(3,267,682)	(14,485,361)	(21,882,968)	-
Depreciation / amortization charge	-	(90,399,565)	(590,839,854)	(1,319,755)	(39,913,118)	(13,342,971)	(4,383,454)	(4,498,822)	(14,438,417)	(759,135,956)	(2,875,589)
Closing net book value	634,362,063	1,935,297,838	5,690,346,695	12,329,780	387,068,598	129,770,967	43,418,291	43,070,773	64,133,682	8,939,798,687	6,230,445
At 30 June 2015											
Cost	634,362,063	2,918,011,744	11,550,249,781	33,198,206	566,252,231	240,428,977	83,539,326	72,014,371	126,797,458	16,224,854,157	15,249,614
Accumulated depreciation / amortization	-	(982,713,906)	(5,859,903,086)	(20,868,426)	(179,183,633)	(110,658,010)	(40,121,035)	(28,943,598)	(62,663,776)	(7,285,055,470)	(9,019,169)
Net book value	634,362,063	1,935,297,838	5,690,346,695	12,329,780	387,068,598	129,770,967	43,418,291	43,070,773	64,133,682	8,939,798,687	6,230,445
Year ended 30 June 2016											
Opening net book value	634,362,063	1,935,297,838	5,690,346,695	12,329,780	387,068,598	129,770,967	43,418,291	43,070,773	64,133,682	8,939,798,687	6,230,445
Additions	-	150,053,147	1,118,806,627	-	28,212,147	2,235,208	3,196,573	7,275,394	21,347,370	1,331,126,466	2,491,800
Disposals:											
Cost	-	-	(129,359,223)	-	-	-	-	(803,021)	(28,304,365)	(158,466,609)	-
Accumulated depreciation	-	-	83,155,212	-	-	-	-	425,633	19,741,645	103,322,490	-
	-	-	(46,204,011)	-	-	-	-	(377,388)	(8,562,720)	(55,144,119)	-
Depreciation / amortization charge	-	(101,907,517)	(610,125,727)	(1,187,780)	(39,640,246)	(13,111,891)	(4,478,654)	(4,615,682)	(13,060,000)	(788,127,497)	(3,702,497)
Impairment loss	-	-	(9,725,736)	-	-	-	-	-	-	(9,725,736)	-
Closing net book value	634,362,063	1,983,443,468	6,143,097,848	11,142,000	375,640,499	118,894,284	42,136,210	45,353,097	63,858,332	9,417,927,801	5,019,748
At 30 June 2016											
Cost	634,362,063	3,068,064,891	12,539,697,185	33,198,206	594,464,378	242,664,185	86,735,899	78,486,744	119,840,463	17,397,514,014	17,741,414
Accumulated depreciation / amortization	-	(1,084,621,423)	(6,386,873,601)	(22,056,206)	(218,823,879)	(123,769,901)	(44,599,689)	(33,133,647)	(55,982,131)	(7,969,860,477)	(12,721,666)
Accumulated impairment	-	-	(9,725,736)	-	-	-	-	-	-	(9,725,736)	-
Net book value	634,362,063	1,983,443,468	6,143,097,848	11,142,000	375,640,499	118,894,284	42,136,210	45,353,097	63,858,332	9,417,927,801	5,019,748
Annual rate of depreciation / amortization (%)		5	10	10	10	10	10	10	20		30

13.1.1 Detail of operating fixed assets, exceeding the book value of Rupees 50,000, disposed of during the year is as follows:

Description	Qty	Cost	Accumulated depreciation	Net book value	Sale proceeds	Gain / (loss)	Mode of disposal	Particulars of purchasers
		Rupees						
Plant and machinery								
Alternator	1	8,447,587	(5,611,512)	2,836,075	11,863,000	9,026,925	Insurance claim	Adamjee Insurance Company Limited - associated company
Comber	6	16,232,275	(14,671,417)	1,560,858	91,812	(1,469,046)	Negotiation	Usay Trading Company, Faisalabad
Multi Mixer Machinery	1	3,975,500	(587,030)	3,388,470	3,300,000	(88,470)	Negotiation	Fanz Spinning Mills, Kasur
Carding Machine	5	4,107,408	(636,640)	3,470,768	575,000	(2,895,768)	Negotiation	J. A. Textile Mills Limited, Faisalabad
Automatic Bale Plucker	1	2,534,754	(411,493)	2,123,261	1,300,000	(823,261)	Negotiation	Fanz Spinning Mills, Kasur
Carding Machine	9	6,984,093	(1,035,971)	5,948,122	1,583,000	(4,365,122)	Negotiation	Salman Noman Enterprises Limited, Lahore
Ring Frame	1	829,406	(140,736)	688,670	600,000	(88,670)	Negotiation	Dynamic Spinning Mills (Private) Limited, Bhai Phero
Toyota Jat-710 340 cm	24	77,443,200	(52,990,726)	24,452,474	28,199,999	3,747,525	Negotiation	Fatima Enterprises Limited, Multan
Chiller Plant	4	8,805,000	(7,069,687)	1,735,313	3,333,333	1,598,020	Negotiation	Haleeb Foods Limited, Lahore
Office equipment								
HP Envy Laptop	1	72,556	(6,560)	65,996	30,000	(35,996)	Company's policy	Mr. Abdul Rehman (Ex-employee), Lahore
Motor vehicles								
Porsche (Jeep) LWC-467	1	10,357,856	(8,885,759)	1,472,097	3,500,000	2,027,903	Negotiation	Mr. Muhammad Adil, Lahore
Suzuki Mehran LEF-07-7046	1	425,000	(273,195)	151,805	405,000	253,195	Company's policy	Mr. Waseem Jamal (employee), Lahore
Honda City LEA-13-2539	1	1,759,000	(870,431)	888,569	1,759,000	870,431	Company's policy	Mr. Taha Baig (Ex-employee), Lahore
Toyota Vitz LED-11-6368	1	1,250,000	(424,597)	825,403	1,250,000	424,597	Company's policy	Mr. Ali Ghafoor (Ex-employee), Lahore
Honda Life LEA-14-3150	1	1,000,000	(316,403)	683,597	1,000,000	316,403	Company's policy	Mr. Hassan Askaree (Ex-employee), Lahore
APV Van LWO-8945	1	1,061,572	(888,927)	172,645	1,217,000	1,044,355	Negotiation	Mr. Mian Muhammad Farooq, Multan
Suzuki Cultus LEB-10-6642	1	864,550	(599,738)	264,812	632,500	367,688	Negotiation	Mr. Muhammad Asghar, Lahore
Suzuki Cultus LEC-10-7431	1	880,314	(598,266)	282,048	520,000	237,952	Negotiation	Mr. Umar Farooque Malik, Lahore
Suzuki Bolan LEF-08-1328	1	472,180	(362,012)	110,168	366,000	255,832	Negotiation	Mr. Sohail Iqbal, Lahore
Suzuki Cultus LED-10-7430	1	911,560	(610,101)	301,459	635,000	333,541	Negotiation	Mr. Shahid Aziz Alvi, Faisalabad
Suzuki Cultus LED-10-7433	1	911,560	(589,213)	322,347	550,000	227,653	Negotiation	Mr. Muhammad Afzal Javed, Lahore
Suzuki Cultus LEC-12-2601	1	968,000	(518,344)	449,656	800,000	350,344	Negotiation	Mr. Shiekh Khushi Muhammad, Lahore
Suzuki Swift LE-12-9369	1	1,156,000	(660,872)	495,128	568,568	73,440	Company's policy	Mr. Hafiz Jamshed (employee), Lahore
Hyundai Shehzore LES-10-8562	1	1,209,940	(795,811)	414,129	1,350,000	935,871	Negotiation	Mr. Mian Muhammad Farooq, Multan
Honda Civic LE-11-9308	1	1,702,020	(1,130,136)	571,884	930,000	358,116	Negotiation	Mr. Naveed Hassan, Lahore
Honda City LED-11-6645	1	1,567,435	(998,979)	568,456	1,039,678	471,222	Company's policy	Mr. Jamal Ud Din (employee), Lahore
Toyota Corolla LEC-10-7438	1	1,751,638	(1,172,549)	579,089	1,250,000	670,911	Negotiation	Mr. Mohsin Mumtaz, Lahore
Aggregate of other items of operating fixed assets with individual book values not exceeding Rupees 50,000	181	786,205	(465,385)	320,820	132,019	(188,801)		
		158,466,609	(103,322,490)	55,144,119	68,780,909	13,636,790		

	2016 Rupees	2015 Rupees
13.1.2 The depreciation charge for the year has been allocated as follows:		
Cost of sales (Note 24)	782,331,926	749,173,139
Administrative expenses (Note 26)	5,795,571	9,962,817
	788,127,497	759,135,956

13.1.3 Amortization on intangible asset amounting to Rupees 3.702 million (2015: Rupees 2.876 million) has been allocated to administrative expenses.

13.2 Capital work-in-progress

	2016 Rupees	2015 Rupees
Civil works on freehold land	2,542,345	53,035,617
Mobilization advances	12,287,452	9,774,749
Letters of credit	11,932,043	19,664,691
Advances for capital expenditures	10,501,512	13,202,830
	37,263,352	95,677,887

14. INVESTMENTS IN SUBSIDIARY COMPANIES - AT COST

	2016 Rupees	2015 Rupees
Nishat Chunian Power Limited - quoted (Note 14.1) 187,585,820 (2015: 187,585,820) fully paid ordinary shares of Rupees 10 each. Equity held 51.07% (2015: 51.07%)	1,875,858,200	1,875,858,200
Nishat Chunian USA Inc. - unquoted 200 (2015: 200) fully paid shares with no par value per share Equity held 100% (2015: 100%)	10,823,000	10,823,000
NC Electric Company Limited - unquoted (Note 14.2) 50,000 (2015: 50,000) fully paid ordinary shares of Rupees 10 each Equity held 100% (2015: 100%)	500,000	500,000
Advance for purchase of shares	1,173,371,822	1,161,875,112
	1,173,871,822	1,162,375,112
NC Entertainment (Private) Limited - unquoted (Note 14.2) 400 (2015: 400) fully paid ordinary shares of Rupees 10 each Equity held 100% (2015: 100%)	4,000	4,000
Advance for purchase of shares	352,235,993	48,064,914
	352,239,993	48,068,914
	3,412,793,015	3,097,125,226

14.1 The Company has to maintain at least 51% holding in the share capital of Nishat Chunian Power Limited (NCPL) during the period of first six years from the date of commercial operations of NCPL which is 21 July 2010. Moreover, the Company has pledged 187,346,939 (2015: 187,346,939) ordinary shares to lenders of NCPL for the purpose of securing finance.

14.2 3 ordinary shares of NC Electric Company Limited and 2 ordinary shares of NC Entertainment (Private) Limited are in the name of directors of respective companies nominated by the Company.

		2016 Rupees	2015 Rupees
15.	**LONG TERM LOANS TO EMPLOYEES**		
	Considered good:		
	Executives (Notes 15.1 and 15.2)	16,702,768	7,212,691
	Other employees (Note 15.2)	317,768	350,432
		17,020,536	7,563,123
	Less: Current portion shown under current assets (Note 19)		
	Executives	1,760,877	1,533,420
	Other employees	317,768	344,980
		2,078,645	1,878,400
		14,941,891	5,684,723
15.1	**Reconciliation of carrying amount of loans to executives:**		
	Balance as at 01 July	7,212,691	4,946,421
	Add: Disbursements	13,678,175	5,000,000
	Less: Repayments	4,188,098	2,733,730
	Balance as at 30 June	16,702,768	7,212,691

15.1.1 Maximum aggregate balance due from executives at the end of any month during the year was Rupees 16.702 million (2015: Rupees 7.228 million).

15.2 These represent motor vehicle loans and house building loans to executives and employees, payable in 24 to 48 and 96 monthly instalments respectively. Interest on long term loans ranged from 4.63% to 8.12% (2015: 4.63% to 14.50%) per annum while some loans are interest free. Motor vehicle loans are secured against registration of cars in the name of the Company, whereas house building loans are secured against balance standing to the credit of employee in the provident fund trust account.

15.3 The fair value adjustment in accordance with the requirements of IAS 39 'Financial Instruments: Recognition and Measurement' arising in respect of staff loans is not considered material and hence not recognized.

		2016 Rupees	2015 Rupees
16.	**STORES, SPARE PARTS AND LOOSE TOOLS**		
	Stores	432,566,483	376,346,081
	Spare parts	295,566,465	235,773,966
	Loose tools	52,951,507	36,243,864
		781,084,455	648,363,911

		2016 Rupees	2015 Rupees
17.	**STOCK-IN-TRADE**		
	Raw materials	5,566,727,586	4,748,044,323
	Work-in-process	664,745,190	440,237,780
	Finished goods	581,318,344	796,579,213
	Waste	45,165,814	33,960,725
		6,857,956,934	6,018,822,041

17.1 Stock-in-trade of Rupees 95.321 million (2015: Rupees 129.844 million) is being carried at net realizable values.

17.2 The aggregate amount of write-down of inventories to net realizable value recognized as an expense during the year was Rupees Nil (2015: Rupees 7.088 million).

	2016 Rupees	2015 Rupees
18. TRADE DEBTS		
Considered good:		
Secured:		
- Others	4,544,021,449	3,733,974,159
Unsecured:		
- Nishat Chunian USA Inc. - subsidiary company	571,079,631	483,072,445
- Nishat Mills Limited - related party	55,842,848	31,438,565
- Others	27,946,893	509,678,354
	654,869,372	1,024,189,364
	5,198,890,821	4,758,163,523

18.1 As at 30 June 2016, trade debts due from other than related parties of Rupees 18.471 million (2015: Rupees 28.394 million) were past due but not impaired. These relate to a number of independent customers from whom there is no recent history of default. The age analysis of these trade debts is as follows:

Upto 1 month	15,046,498	21,895,512
1 to 6 months	1,228,398	4,472,018
More than 6 months	2,195,729	2,026,653
	18,470,625	28,394,183

18.2 As at 30 June 2016, trade debts due from related parties amounting to Rupees 32.726 million (2015: Rupees 105.147 million) were past due but not impaired. The age analysis of these trade debts is as follows:

Upto 1 month	32,666,239	12,871,411
1 to 6 months	3,348	67,085,458
More than 6 months	56,544	25,190,299
	32,726,131	105,147,168

18.3 As at 30 June 2016, trade debts of Rupees Nil (2015: Rupees 0.405 million) were impaired and written off. The ageing of these trade debts was more than 5 years. These trade debts do not include amounts due from related parties.

	2016 Rupees	2015 Rupees
19. LOANS AND ADVANCES		
Considered good:		
Employees - interest free:		
- Executives	8,991,204	4,456,753
- Other employees	4,766,389	693,781
	13,757,593	5,150,534
Current portion of long term loans to employees (Note 15)	2,078,645	1,878,400
Advances to suppliers (Note 19.1)	426,690,329	305,668,900
Advances to contractors	719,295	51,999
Letters of credit	567,571,357	532,341,856
	1,010,817,219	845,091,689

19.1 It includes advances amounting to Rupees 1.140 million (2015: Rupees 1.531 million) to D.G. Khan Cement Company Limited - related party.

	2016 Rupees	2015 Rupees

20. OTHER RECEIVABLES

	2016 Rupees	2015 Rupees
Considered good:		
Sales tax recoverable	1,024,221,789	702,341,511
Advance income tax - net	781,830,258	642,859,483
Export rebate and claims	110,106,713	112,101,331
Fair value of forward exchange contracts	45,758,252	33,770,944
Receivable from employees' provident fund trust	17,287,545	12,973,186
Due from subsidiary companies (Note 20.1)	35,635,254	1,200,000
Miscellaneous (Note 20.2)	60,268,818	25,425,980
	2,075,108,629	1,530,672,435

20.1 It includes Rupees 35.483 million (2015: Rupees 1.200 million) and Rupees 0.152 million (2015: Rupees Nil) due from NC Electric Company Limited - subsidiary company and NC Entertainment (Private) Limited - subsidiary company respectively, which are in the ordinary course of business and are interest free.

20.2 It includes Rupees 3.753 million (2015: Rupees 0.243 million) receivable from Adamjee Insurance Company Limited - associated company.

21. SHORT TERM INVESTMENTS

	2016 Rupees	2015 Rupees
Held-to-maturity		
Term deposit receipts (Note 21.1)	-	20,660,225
Add: Accrued interest	-	1,231,259
	-	21,891,484

21.1 These represented deposits under lien with the bank of the Company against bank guarantees of the same amount issued by the bank to Sui Northern Gas Pipelines Limited against gas connections. Interest on term deposit receipts ranged from 5.85% to 6.87% (2015: 7.20% to 8.71%) per annum. The maturity period of these term deposit receipts was one year.

22. CASH AND BANK BALANCES

	2016 Rupees	2015 Rupees
Cash with banks:		
On saving accounts (Note 22.1) Including US$ 14,424 (2015: US$ 21,802)	7,182,797	3,074,263
On current accounts (Note 22.2) Including US$ 22,240 (2015: US$ 29,700)	35,945,218	965,238,181
	43,128,015	968,312,444
Cash in hand	5,539,508	1,155,354
	48,667,523	969,467,798

22.1 Rate of profit on saving accounts ranges from 3.75% to 6.88% (2015: 4.5% to 7%) per annum.

22.2 Included in cash with banks on current accounts are Rupees 3.924 million (2015: Rupees 1.931 million) with MCB Bank Limited - associated company.

	2016 Rupees	2015 Rupees
23. SALES		
Export	17,581,068,059	16,162,277,147
Local (Notes 23.1 and 23.2)	8,168,630,196	7,575,205,717
Export rebate and duty draw back	49,423,298	42,971,932
	25,799,121,553	23,780,454,796
23.1 Local sales		
Sales	8,008,844,257	7,297,314,976
Processing income	395,235,594	425,520,829
	8,404,079,851	7,722,835,805
Less: Sales tax	235,449,655	147,630,088
	8,168,630,196	7,575,205,717

23.2 Local sales includes waste sales of Rupees 510.209 million (2015: Rupees 493.522 million).

24. COST OF SALES	2016 Rupees	2015 Rupees
Raw materials consumed (Note 24.1)	16,087,598,110	14,285,721,512
Packing materials consumed	803,855,260	703,305,158
Stores, spare parts and loose tools consumed	896,968,213	883,357,231
Processing charges	125,739,895	40,959,518
Salaries, wages and other benefits (Note 24.2)	2,027,084,461	1,932,306,490
Fuel and power	2,173,684,091	2,793,807,657
Insurance	41,802,008	44,471,871
Postage and telephone	784,855	4,214,493
Travelling and conveyance	17,533,603	19,694,340
Vehicles' running and maintenance	21,414,111	22,122,109
Entertainment	5,757,878	6,109,600
Ijarah rentals	-	9,116,975
Depreciation on operating fixed assets (Note 13.1.2)	782,331,926	749,173,139
Repair and maintenance	312,261,182	302,456,226
Other factory overheads	67,239,816	54,536,787
	23,364,055,409	21,851,353,106
Work-in-process		
Opening stock	440,237,780	507,370,103
Closing stock	(664,745,190)	(440,237,780)
	(224,507,410)	67,132,323
Cost of goods manufactured	23,139,547,999	21,918,485,429
Finished goods and waste - opening stocks		
Finished goods	796,579,213	695,735,249
Waste	33,960,725	39,999,009
	830,539,938	735,734,258
	23,970,087,937	22,654,219,687
Finished goods and waste - closing stocks		
Finished goods	(581,318,344)	(796,579,213)
Waste	(45,165,814)	(33,960,725)
	(626,484,158)	(830,539,938)
	23,343,603,779	21,823,679,749

		2016 Rupees	2015 Rupees
24.1	**Raw materials consumed**		
	Opening stock	4,748,044,323	5,773,991,478
	Add: Purchased during the year	16,906,281,373	13,259,774,357
		21,654,325,696	19,033,765,835
	Less: Closing stock	5,566,727,586	4,748,044,323
		16,087,598,110	14,285,721,512

24.2 Salaries, wages and other benefits include Rupees 14.311 million (2015: Rupees 13.919 million) and Rupees 36.400 million (2015: Rupees 33.848 million) in respect of accumulating compensated absences and provident fund contribution by the Company respectively.

		2016 Rupees	2015 Rupees
25.	**DISTRIBUTION COST**		
	Salaries and other benefits (Note 25.1)	70,672,742	58,923,567
	Ocean freight	105,133,614	152,052,727
	Freight and octroi	96,447,113	78,626,969
	Forwarding and other expenses	197,003,139	151,409,998
	Export marketing expenses	134,252,675	148,481,663
	Commission to selling agents	134,658,978	90,324,863
		738,168,261	679,819,787

25.1 Salaries and other benefits include Rupees 3.374 million (2015: Rupees 2.623 million) and Rupees 3.390 million (2015: Rupees 2.238 million) in respect of accumulating compensated absences and provident fund contribution by the Company respectively.

		2016 Rupees	2015 Rupees
26.	**ADMINISTRATIVE EXPENSES**		
	Salaries and other benefits (Note 26.1)	79,696,606	82,384,965
	Printing and stationery	2,508,396	3,513,705
	Vehicles' running and maintenance	1,409,925	2,490,202
	Travelling and conveyance	40,641,429	38,964,488
	Postage and telephone	4,885,553	7,620,169
	Fee and subscription	7,538,674	7,915,688
	Legal and professional (Note 26.2)	10,016,753	6,153,169
	Electricity and sui gas	494,710	2,177,475
	Insurance	2,993,735	3,361,460
	Repair and maintenance	681,851	1,729,465
	Entertainment	5,645,236	8,723,210
	Depreciation on operating fixed assets (Note 13.1.2)	5,795,571	9,962,817
	Amortization on intangible asset (Note 13.1.3)	3,702,497	2,875,589
	Miscellaneous	2,977,405	1,238,731
		168,988,341	179,111,133

26.1 Salaries and other benefits include Rupees 2.666 million (2015: Rupees 3.667 million) and Rupees 2.559 million (2015: Rupees 3.897 million) in respect of accumulating compensated absences and provident fund contribution by the Company respectively.

	2016 Rupees	2015 Rupees
26.2 Legal and professional charges include the following in respect of auditors' remuneration for:		
Audit fee	1,446,500	1,360,000
Half yearly review	364,000	336,000
Certification fees	100,000	100,000
Reimbursable expenses	167,200	152,000
	2,077,700	1,948,000

27. OTHER EXPENSES

	2016 Rupees	2015 Rupees
Workers' profit participation fund (Note 8.2)	85,243,208	60,344,322
Trade debts written off	-	405,087
Advances to suppliers written off	-	730,592
Donations (Note 27.1)	115,577	2,734,000
Net exchange loss	1,347,976	16,902,718
Impairment loss on operating fixed assets (Note 13.1)	9,725,736	-
	96,432,497	81,116,719

27.1 Donations

This includes donations amounting to Rupees 0.052 million (2015: Rupees 2.464 million) to Mian Muhammad Yahya Trust, 31-Q, Gulberg II, Lahore in which Mr. Shahzad Saleem, Chief Executive, Mr. Aftab Ahmad Khan, Director and Mrs. Farhat Saleem, Director are trustees and Rupees 0.003 million (2015: Rupees Nil) to Saleem Memorial Trust Hospital, 31-Q, Gulberg II, Lahore in which Mr. Shahzad Saleem, Chief Executive and Mrs. Farhat Saleem, Director are directors.

28. OTHER INCOME

	2016 Rupees	2015 Rupees
Income from financial assets		
Return on bank deposits	183,813	1,610,017
Credit balances written back	-	14,194,155
Income from investment in subsidiary company		
Dividend income from Nishat Chunian Power Limited	1,125,514,920	1,406,893,650
Income from non-financial assets		
Gain on disposal of operating fixed assets (Note 13.1.1)	13,636,790	7,887,327
Sale of scrap	42,941,064	48,274,783
Miscellaneous	8,442,325	1,665,730
	1,190,718,912	1,480,525,662

29. FINANCE COST

	2016 Rupees	2015 Rupees
Mark-up on:		
- long term loans	314,227,287	562,745,102
- long term musharaka	20,396,273	39,935,287
- redeemable capital	921,458	13,277,741
- short term running finances	175,448,159	120,441,967
- export finances - Preshipment / SBP refinances	198,496,615	292,809,241
- short term finances - others	215,010,630	252,331,494
Interest on workers' profit participation fund (Note 8.2)	6,602,743	3,174,627
Bank charges and commission	98,526,213	69,170,115
	1,029,629,378	1,353,885,574

30. TAXATION

	2016 Rupees	2015 Rupees
Current (Note 30.1)	284,243,516	366,905,825
Prior year adjustment	-	(23,958,344)
	284,243,516	342,947,481

30.1 Provision for current taxation represents minimum tax on local sales, final tax on export sales, super tax and tax on income from other sources at applicable rates. Reconciliation of tax expense and product of accounting profit multiplied by the applicable tax rate has not been presented, being impracticable.

30.2 Deferred income tax asset

	2016 Rupees	2015 Rupees
The asset for deferred income tax originated due to timing differences relating to:		
Taxable temporary difference		
Accelerated tax depreciation	(157,961,488)	(98,454,328)
Deductible temporary differences		
Available tax losses	786,425,685	669,114,613
Amortization on intangible asset	115,848	265,986
	786,541,533	669,380,599
Deferred income tax asset	628,580,045	570,926,271
Deferred income tax asset not recognized in these financial	(628,580,045)	(570,926,271)
Deferred income tax asset recognized in these financial statements	-	-

30.2.1 Deferred income tax asset of Rupees 628.580 million (2015: Rupees 570.926 million) has not been recognized in these financial statements as the Company's management believes that sufficient taxable profits will not be probably available in foreseeable future, hence, the temporary differences may not reverse.

30.3 The Company has carry forwardable tax losses of Rupees 2,621 million (2015: Rupees 2,229 million).

		2016	2015 (Restated)
31.	**EARNINGS PER SHARE - BASIC AND DILUTED**		
	Profit after taxation attributable to ordinary shareholders (Rupees)	1,328,774,693	800,420,015
	Weighted average number of ordinary shares outstanding during the year (Number)	237,862,307	211,438,719
	Basic earnings per share (Rupees)	5.59	3.79

31.1 There is no dilutive effect on basic earnings per share for the year ended 30 June 2016 and 30 June 2015 as the Company has no potential ordinary shares as on 30 June 2016 and 30 June 2015.

		2016 Rupees	2015 Rupees
32.	**CASH GENERATED FROM OPERATIONS**		
	Profit before taxation	1,613,018,209	1,143,367,496
	Adjustments for non-cash charges and other items:		
	Depreciation on operating fixed assets	788,127,497	759,135,956
	Amortization on intangible asset	3,702,497	2,875,589
	Impairment loss on operating fixed assets	9,725,736	-
	Gain on disposal of operating fixed assets	(13,636,790)	(7,887,327)
	Dividend income	(1,125,514,920)	(1,406,893,650)
	Finance cost	1,029,629,378	1,353,885,574
	Return on bank deposits	(183,813)	(1,610,017)
	Trade debts written off	-	405,087
	Advances to suppliers written off	-	730,592
	Credit balances written back	-	(14,194,155)
	Working capital changes (Note 32.1)	(1,292,816,542)	365,249,936
		1,012,051,252	2,195,065,081
32.1	**Working capital changes**		
	(Increase) / decrease in current assets:		
	Stores, spare parts and loose tools	(132,720,544)	116,778,900
	Stock-in-trade	(839,134,893)	998,273,798
	Trade debts	(440,727,298)	(276,439,741)
	Loans and advances	(165,525,285)	(259,323,772)
	Short term prepayments	(670,454)	(1,217,884)
	Other receivables	(405,465,419)	(18,912,931)
		(1,984,243,893)	559,158,370
	Increase / (decrease) in trade and other payables	691,427,351	(193,908,434)
		(1,292,816,542)	365,249,936

33. REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

Aggregate amount charged in the financial statements for the year for remuneration including certain benefits to the chief executive, directors and executives of the Company is as follows:

	Chief Executive		Directors		Executives	
	2016	2015	2016	2015	2016	2015
		---------------------------- Rupees			----------------------------	
Managerial remuneration	4,600,000	4,600,000	-	-	75,443,416	73,664,373
Contribution to provident fund	-	-	-	-	6,277,773	6,136,242
House rent	1,840,000	1,840,000	-	-	30,177,366	29,465,749
Utilities	460,000	460,000	-	-	7,544,342	7,366,437
Others	1,992,864	1,992,864	-	-	15,122,357	7,088,591
	8,892,864	8,892,864	-	-	134,565,254	123,721,392
Number of persons	**1**	**1**	**-**	**-**	**75**	**74**

33.1 The Company provides to chief executive, directors and certain executives with free use of Company maintained cars and residential telephones.

33.2 Aggregate amount charged in these financial statements for meeting fee to seven (2015: seven) directors was Rupees 320,000 (2015: Rupees 600,000).

33.3 No remuneration was paid to non-executive directors of the Company.

34. TRANSACTIONS WITH RELATED PARTIES

Related parties comprise subsidiary companies, associated undertakings, other related companies, key management personnel and post employment benefit plan. The Company in the normal course of business carried out transactions with various related parties. Details of transactions with related parties, other than those which have been specifically disclosed elsewhere in these financial statements are as follows:

	2016 Rupees	2015 Rupees
Subsidiary companies		
Common facilities cost charged	19,200,000	19,200,000
Dividend income	1,125,514,920	1,406,893,650
Sale of goods	1,877,334,000	1,440,124,894
Investments made	315,667,789	1,110,806,521
	-	-
Associated undertakings		
Insurance premium paid	77,786,126	75,874,875
Insurance claims received	22,405,636	26,064,985
Other related parties		
Purchase of goods	35,762,623	29,238,182
Sales of goods	810,721,648	872,819,358
Dividend paid	59,945,910	33,303,285
Company's contribution to employees' provident fund trust	42,348,654	39,983,052

35. PROVIDENT FUND RELATED DISCLOSURES

The following information is based on audited financial statements of the provident fund for the years ended 30 June 2016 and 30 June 2015:

	2016 Rupees	2015 Rupees
Size of the fund - Total assets	362,073,888	322,160,285
Cost of investments	326,332,489	289,715,208
Fair value of investments	343,275,220	299,945,346
Percentage of investments made	94.81%	93.10%

35.1 The break-up of fair value of investments is as follows:

	2016	2015	2016	2015
	Percentage		Rupees	Rupees
Deposits with banks	0.79%	12.52%	2,713,939	37,558,646
Treasury bills	89.45%	78.59%	307,050,071	235,731,493
Mutual funds - open end	7.52%	6.06%	25,829,302	18,189,902
Listed securities	2.24%	2.83%	7,681,908	8,465,305
	100%	100%	343,275,220	299,945,346

35.2 Investments, out of provident fund, have been made in accordance with the provision of section 227 of the Companies Ordinance, 1984 and the rules formulated for this purpose.

36. NUMBER OF EMPLOYEES

	2016	2015
Number of employees as on 30 June	6,085	6,474
Average number of employees during the year	6,228	6,331

37. SEGMENT INFORMATION

	Spinning		Weaving		Processing and Home Textile		Power Generation		Elimination of inter-segment transactions		Total - Company	
	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015
	Rupees											
Sales												
- External	14,013,687,124	14,383,614,349	4,362,790,019	2,998,420,202	7,422,644,410	6,398,420,245	-	-	-	-	25,799,121,553	23,780,454,796
- Inter-segment	2,005,971,525	1,850,074,380	2,967,905,319	3,089,700,405	-	-	2,109,506,227	2,924,616,301	(7,083,383,071)	(7,864,391,086)	-	-
	16,019,658,649	16,233,688,729	7,330,695,338	6,088,120,607	7,422,644,410	6,398,420,245	2,109,506,227	2,924,616,301	(7,083,383,071)	(7,864,391,086)	25,799,121,553	23,780,454,796
Cost of sales	(15,267,920,887)	(15,436,398,226)	(6,818,251,515)	(5,846,998,873)	(6,353,107,237)	(5,913,483,638)	(1,987,707,211)	(2,491,190,098)	7,083,383,071	7,864,391,086	(23,343,603,779)	(21,823,679,749)
Gross profit	751,737,762	797,290,503	512,443,823	241,121,734	1,069,537,173	484,936,607	121,799,016	433,426,203	-	-	2,455,517,774	1,956,775,047
Distribution cost	(291,311,043)	(287,370,122)	(113,143,361)	(92,240,030)	(333,713,857)	(300,209,635)	-	-	-	-	(738,168,261)	(679,819,787)
Administrative expenses	(27,823,839)	(31,267,103)	(38,519,745)	(35,817,383)	(99,950,991)	(99,981,319)	(2,693,766)	(12,045,328)	-	-	(168,988,341)	(179,111,133)
	(319,134,882)	(318,637,225)	(151,663,106)	(128,057,413)	(433,664,848)	(400,190,954)	(2,693,766)	(12,045,328)	-	-	(907,156,602)	(858,930,920)
Profit before taxation and unallocated income and expenses	432,602,880	478,653,278	360,780,717	113,064,321	635,872,325	84,745,653	119,105,250	421,380,875	-	-	1,548,361,172	1,097,844,127
Unallocated income and expenses												
Other expenses											(96,432,497)	(81,116,719)
Other income											1,190,718,912	1,480,525,662
Finance cost											(1,029,629,378)	(1,353,885,574)
Taxation											(284,243,516)	(342,947,481)
Profit after taxation											1,328,774,693	800,420,015

37.1 Reconciliation of reportable segment assets and liabilities

	Spinning		Weaving		Processing and Home Textile		Power Generation		Total - Company	
	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015
	Rupees									
Total assets for reportable segments	13,532,518,336	12,933,437,972	2,739,814,780	1,988,592,913	4,916,022,231	4,166,501,929	1,536,888,249	1,541,079,500	22,725,243,596	20,629,612,314
Unallocated assets:										
Investments in subsidiary companies									3,412,793,015	3,097,125,226
Other receivables									2,075,108,629	1,530,672,435
Short term investments									-	21,891,484
Cash and bank balances									48,667,523	969,467,798
Other corporate assets									622,183,035	711,074,547
Total assets as per balance sheet									28,883,995,798	26,959,843,804
Total liabilities for reportable segments	496,789,449	59,154,235	296,521,266	61,912,662	598,360,512	284,450,125	290,697,259	140,585,871	1,682,368,486	546,102,893
Unallocated liabilities:										
Long term financing									3,661,105,000	4,691,031,406
Redeemable capital									-	31,250,000
Accrued mark-up									142,984,217	171,942,000
Short term borrowings									12,120,082,522	10,817,110,967
Other corporate liabilities									290,258,752	732,780,501
Total liabilities as per balance sheet									17,896,798,977	16,990,217,767

37.2 Geographical information

The Company's revenue from external customers by geographical location is detailed below:

	2016 Rupees	2015 Rupees
Europe	3,482,993,461	2,952,755,518
Asia, Africa and Australia	9,941,641,081	8,839,507,209
United States of America, Canada and South America	4,156,433,517	4,370,014,420
Pakistan	8,218,053,494	7,618,177,649
	25,799,121,553	23,780,454,796

37.3 All non-current assets of the Company as at reporting dates are located and operating in Pakistan.

37.4 Revenue from major customers

The Company's revenue is earned from a large mix of customers.

37.5 Based on the judgment made by the management, printing, dyeing and home textile operating segments of the Company have been aggregated into a single operating segment namely 'Processing and Home Textile' as these segments have similar economic characteristics in respect of nature of the products, nature of production process, type of customers, method of distribution and nature of regulatory environment.

38. PLANT CAPACITY AND ACTUAL PRODUCTION

	2016	2015
Spinning		
Number of spindles installed	209,652	209,412
Number of spindles worked	183,917	188,124
Number of shifts per day	3	3
Capacity after conversion into 20/1 count (Kgs.)	66,165,532	64,661,278
Actual production of yarn after conversion into 20/1 count (Kgs.)	65,187,716	63,705,692

Under utilization of available capacity was due to normal maintenance and time lost in shifting of coarser counts to finer counts and vice versa.

	2016	2015
Weaving		
Number of looms installed	361	293
Number of looms worked	361	293
Number of shifts per day	3	3
Capacity after conversion into 50 picks - square yards	231,560,698	215,512,868
Actual production after conversion into 50 picks - square yards	203,167,378	184,549,618

Under utilization of available capacity was due to the following reasons:

- change of articles required
- higher count and cover factor
- due to normal maintenance

	2016	2015
Power plant		
Number of engines installed	17	19
Number of engines worked	17	19
Number of shifts per day	3	3
Generation capacity (KWh)	333,756,000	346,896,000
Actual generation (KWh)	131,277,428	89,705,629

Under utilization of available capacity was due to normal maintenance and demand.

	2016	2015
Dyeing		
Number of thermosol dyeing machines	1	1
Number of stenters machines	3	3
Number of shifts per day	3	3
Capacity in meters	30,800,000	30,800,000
Actual processing of fabrics - meters	27,480,338	24,490,564

Under utilization of available capacity was due to normal maintenance and power outages.

	2016	2015
Printing		
Number of printing machines	1	1
Number of shifts per day	2	2
Capacity in meters	6,200,000	6,200,000
Actual processing of fabrics - meters	6,279,602	5,963,426

Actual processing was in excess of rated capacity due to processing of less complex designs.

	2016	2015
Digital Printing		
Number of printing machines	1	-
Capacity in meters	1,560,000	-
Actual processing of fabrics - meters	400,911	-

Stitching

The plant capacity of this division is indeterminable due to multi product plant involving varying run length of order lots.

39. FINANCIAL RISK MANAGEMENT

39.1 Financial risk factors

The Company's activities expose it to a variety of financial risks: market risk (including currency risk, other price risk and interest rate risk), credit risk and liquidity risk. The Company's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Company's financial performance. The Company uses derivative financial instruments to hedge certain risk exposures.

Risk management is carried out by the Company's finance department under policies approved by the Board of Directors. The Company's finance department evaluates and hedges financial risks. The Board provides principles for overall risk management, as well as policies covering specific areas such as currency risk, other price risk, interest rate risk, credit risk, liquidity risk, use of derivative financial instruments and non-derivative financial instruments and investment of excess liquidity.

(a) Market risk

(i) Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Currency risk arises mainly from future commercial transactions or receivables and payables that exist due to transactions in foreign currencies.

The Company is exposed to currency risk arising from various currency exposures, primarily with respect to the United States Dollar (USD) and Euro. Currently, the Company's foreign exchange risk exposure is restricted to bank balances, borrowings and the amounts receivable / payable from / to the foreign entities. The Company uses forward exchange contracts to hedge its foreign currency risk, when considered appropriate. The Company's exposure to currency risk was as follows:

	2016	2015
Cash at banks - USD	36,664	51,502
Trade debts - USD	44,855,643	41,938,552
Trade debts - EURO	247,558	2,074,595
Trade and other payables - USD	(1,718,908)	(871,632)
Trade and other payables - EURO	(40,496)	(15,455)
Short term borrowings - USD	(8,043,596)	(31,776,183)
Accrued mark-up - USD	(42,195)	(274,008)
Net exposure - USD	35,087,608	9,068,231
Net exposure - EURO	207,062	2,059,140

The following significant exchange rates were applied during the year:

	2016	2015
Rupees per US Dollar		
Average rate	104.30	101.31
Reporting date rate	104.50	101.50
Rupees per EURO		
Average rate	115.47	120.86
Reporting date rate	116.08	113.57

Sensitivity analysis

If the functional currency, at reporting date, had weakened / strengthened by 5% against the USD and Euro with all other variables held constant, the impact on profit after taxation for the year would have been Rupees 172.950 million (2015: Rupees 137.589 million) respectively higher / lower, mainly as a result of exchange gains / losses on translation of foreign exchange denominated financial instruments. Currency risk sensitivity to foreign exchange movements has been calculated on a symmetric basis. In management's opinion, the sensitivity analysis is unrepresentative of inherent currency risk as the year end exposure does not reflect the exposure during the year.

(ii) Other price risk

Other price risk represents the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instrument traded in the market. The Company is not exposed to equity and commodity price risks.

(iii) Interest rate risk

This represents the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The Company has no significant long-term interest-bearing asset. The Company's interest rate risk arises mainly from long term financing, redeemable capital and short term borrowings. Borrowings obtained at variable rates expose the Company to cash flow interest rate risk. Borrowings obtained at fixed rate expose the Company to fair value interest rate risk.

At the reporting date the interest rate profile of the Company’s interest bearing financial instruments was:

	2016 Rupees	2015 Rupees
Fixed rate instruments		
Financial liabilities		
Long term financing	462,980,000	26,378,614
Short term borrowings	3,482,164,394	5,827,491,861
	3,945,144,394	5,853,870,475
Financial assets		
Long term loans to employees	14,285,790	5,522,488
Net exposure	(3,930,858,604)	(5,848,347,987)
Floating rate instruments		
Financial assets		
Bank balances - saving accounts	7,182,797	3,074,263
Short term investments	-	20,660,225
	7,182,797	23,734,488
Financial liabilities		
Long term financing	3,198,125,000	4,664,652,792
Redeemable capital	-	31,250,000
Short term borrowings	8,637,918,128	4,989,619,106
	11,836,043,128	9,685,521,898
Net exposure	(11,828,860,331)	(9,661,787,410)

Fair value sensitivity analysis for fixed rate instruments

The Company does not account for any fixed rate financial assets and liabilities at fair value through profit or loss. Therefore, a change in interest rate at the reporting date would not affect profit or loss of the Company.

Cash flow sensitivity analysis for variable rate instruments

If interest rates at the year end date, fluctuates by 1% higher / lower with all other variables held constant, profit after taxation for the year would have been Rupees 112.374 million (2015: Rupees 91.787 million) lower / higher, mainly as a result of higher / lower interest expense on floating rate borrowings. This analysis is prepared assuming the amounts of assets and liabilities outstanding at reporting dates were outstanding for the whole year.

(b) Credit risk

Credit risk represents the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was as follows:

	2016 Rupees	2015 Rupees
Long term security deposits	20,769,440	20,769,440
Trade debts	5,198,890,821	4,758,163,523
Loans and advances	30,778,129	12,713,657
Other receivables	141,662,324	60,396,924
Short term investments	-	21,891,484
Bank balances	43,128,015	968,312,444
	5,435,228,729	5,842,247,472

The credit quality of financial assets that are neither past due nor impaired can be assessed by reference to external credit ratings (If available) or to historical information about counterparty default rate:

	Rating			2016	2015
	Short Term	Long term	Agency	Rupees	Rupees
Banks					
Al-Baraka Bank (Pakistan) Limited	A1	A	PACRA	196,546	197,446
Allied Bank Limited	A1+	AA+	PACRA	-	951,794,725
Bank Alfalah Limited	A1+	AA	PACRA	1,223,754	1,182,125
Bank Al-Habib Limited	A1+	AA+	PACRA	2,001,817	594,052
BankIslami Pakistan Limited	A1	A+	PACRA	22,016,322	122,863
Burj Bank Limited	A-2	A-	JCR-VIS	183	-
Citibank N.A.	P-1	A2	Moody’s	-	2,624
Dubai Islamic Bank (Pakistan) Limited	A-1	A+	JCR-VIS	397,904	554,412
Faysal Bank Limited	A1+	AA	PACRA	6,495,238	879,976
Habib Bank Limited	A-1+	AAA	JCR-VIS	2,245,786	2,344,445
MCB Bank Limited	A1+	AAA	PACRA	3,923,932	1,931,362
Meezan Bank Limited	A-1+	AA	JCR-VIS	199,404	951,060
National Bank of Pakistan	A-1+	AAA	PACRA	172,901	5,000
NIB Bank Limited	A1+	AA -	PACRA	161,940	157,217
Standard Chartered Bank (Pakistan) Limited	A1+	AAA	PACRA	153,748	149,333
Summit Bank Limited	A-1	A	JCR-VIS	-	463
The Bank of Punjab	A1+	AA -	PACRA	2,128,806	5,688,211
United Bank Limited	A-1+	AA+	JCR-VIS	1,809,029	1,757,130
Industrial and Commercial Bank of China Limited	P-1	A1	Moody’s	705	-
				43,128,015	968,312,444
Short term investments					
BankIslami Pakistan Limited	A1	A+	PACRA	-	21,891,484
				43,128,015	990,203,928

The Company's exposure to credit risk and impairment losses related to trade debts is disclosed in Note 18.

Due to the Company's long standing business relationships with these counterparties and after giving due consideration to their strong financial standing, management does not expect non-performance by these counter parties on their obligations to the Company. Accordingly the credit risk is minimal.

(c) Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities.

The Company manages liquidity risk by maintaining sufficient cash and the availability of funding through an adequate amount of committed credit facilities. At 30 June 2016, the Company had Rupees 6,945 million (2015: Rupees 7,998 million) available borrowing limits from financial institutions and Rupees 48.668 million (2015: Rupees 969.468 million) cash and bank balances. The management believes the liquidity risk to be low. Following are the contractual maturities of financial liabilities, including interest payments. The amount disclosed in the table are undiscounted cash flows:

Contractual maturities of financial liabilities as at 30 June 2016:

	Carrying Amount	Contractual cash flows	6 month or less	6-12 month	1-2 Year	More than 2 Years
	-------	-------	------- Rupees	-------	-------	-------
Non-derivative financial liabilities:						
Long term financing	3,661,105,000	4,011,814,296	992,357,588	795,831,081	1,227,710,985	995,914,642
Short term borrowings	12,120,082,522	12,332,711,248	10,133,172,079	2,199,539,169	-	-
Trade and other payables	1,775,145,701	1,775,145,701	1,775,145,701	-	-	-
Accrued mark-up	142,984,217	142,984,217	142,984,217	-	-	-
	17,699,317,440	18,262,655,462	13,043,659,585	2,995,370,250	1,227,710,985	995,914,642

Contractual maturities of financial liabilities as at 30 June 2015:

	Carrying Amount	Contractual cash flows	6 months or less	6-12 months	1-2 Year	More than 2 Years
	------	------	------	Rupees	------	------
Non-derivative financial liabilities:						
Long term financing	4,691,031,406	5,318,306,399	1,023,643,949	950,055,670	1,972,360,347	1,372,246,433
Redeemable capital	31,250,000	32,060,908	32,060,908	-	-	-
Short term borrowings	10,817,110,967	10,976,963,113	9,924,179,975	1,052,783,138	-	-
Trade and other payables	1,144,150,633	1,144,150,633	1,144,150,633	-	-	-
Accrued mark-up	171,942,000	171,942,000	171,942,000	-	-	-
	16,855,485,006	17,643,423,053	12,295,977,465	2,002,838,808	1,972,360,347	1,372,246,433

The contractual cash flows relating to the above financial liabilities have been determined on the basis of interest rates / mark up rates effective as at reporting date. The rates of interest / mark up have been disclosed in note 7 and note 10 to these financial statements.

39.2 Financial instruments by categories

Assets as per balance sheet

	2016		2015		
	Loans and receivables	At fair value through profit or loss	Loans and receivables	At amortized cost	At fair value through profit or loss
	Rupees	Rupees	Rupees	Rupees	Rupees
Long term security deposits	20,769,440	-	20,769,440	-	-
Trade debts	5,198,890,821	-	4,758,163,523	-	-
Loans and advances	30,778,129	-	12,713,657	-	-
Other receivables	95,904,072	45,758,252	26,625,980	-	33,770,944
Short term investments	-	-	-	21,891,484	-
Cash and bank balances	48,667,523	-	969,467,798	-	-
	5,395,009,985	45,758,252	5,787,740,398	21,891,484	33,770,944

	Liabilities at amortized cost	
	2016 Rupees	2015 Rupees
Liabilities as per balance sheet		
Long term financing	3,661,105,000	4,691,031,406
Redeemable capital	-	31,250,000
Accrued mark-up	142,984,217	171,942,000
Short term borrowings	12,120,082,522	10,817,110,967
Trade and other payables	1,775,145,701	1,144,150,633
	17,699,317,440	16,855,485,006

39.3 Offsetting financial assets and financial liabilities

As on balance sheet date, recognized financial instruments are not subject to off setting as there are no enforceable master netting arrangements and similar agreements.

40. CAPITAL RISK MANAGEMENT

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, issue new shares or sell assets to reduce debt. Consistent with others in the industry and the requirements of the lenders, the Company monitors the capital structure on the basis of gearing ratio. This ratio is calculated as borrowings divided by total capital employed. Borrowings represent long term financing and short term borrowings obtained by the Company as referred to in note 7 and note 10 respectively. Total capital employed includes 'total equity' as shown in the balance sheet plus 'borrowings'. The Company's strategy was to maintain a gearing ratio of 65% debt and 35% equity (2015: 65% debt and 35% equity).

		2016	2015
Borrowings	Rupees	15,781,187,522	15,539,392,373
Total equity	Rupees	10,987,196,821	9,969,626,037
Total capital employed	Rupees	26,768,384,343	25,509,018,410
Gearing ratio	Percentage	58.95	60.92

The decrease in gearing ratio resulted primarily from increase in equity of the Company.

41 RECOGNIZED FAIR VALUE MEASUREMENTS - FINANCIAL INSTRUMENTS

(i) Fair value hierarchy

Judgements and estimates are made in determining the fair values of the financial instruments that are recognised and measured at fair value in these financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into the following three levels. An explanation of each level follows underneath the table.

Recurring fair value measurements At 30 June 2016	Level 1	Level 2	Level 3	Total
	----------------------------	Rupees	----------------------------	
Financial assets				
Derivative financial assets	-	45,758,252	-	45,758,252
Total financial assets	-	45,758,252	-	45,758,252

Recurring fair value measurements At 30 June 2015	Level 1	Level 2	Level 3	Total
	----------------------------	Rupees	----------------------------	
Financial assets				
Derivative financial assets	-	33,770,944	-	33,770,944
Total financial assets	-	33,770,944	-	33,770,944

The above table does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amounts are a reasonable approximation of fair value. Due to short term nature, carrying amounts of certain financial assets and financial liabilities are considered to be the same as their fair value. For the majority of the non-current receivables, the fair values are also not significantly different to their carrying amounts.

There were no transfers between levels 1 and 2 for recurring fair value measurements during the year. Further, there was no transfer in and out of level 3 measurements.

The Company's policy is to recognise transfers into and transfers out of fair value hierarchy levels as at the end of the reporting period.

Level 1: The fair value of financial instruments traded in active markets (such as publicly traded derivatives, and trading and available-for-sale securities) is based on quoted market prices at the end of the reporting period. The quoted market price used for financial assets held by the Company is the current bid price. These instruments are included in level 1.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities.

(ii) Valuation techniques used to determine fair values

Specific valuation techniques used to value financial instruments include the use of quoted market prices or dealer quotes for similar instruments.

42. INFORMATION FOR ALL SHARES ISLAMIC INDEX SCREENING

42.1 Assets and Liabilities

Description	Note	2016 Carried under Non-Shariah arrangements	2016 Carried under Shariah arrangements	2015 Carried under Non-Shariah arrangements	2015 Carried under Shariah arrangements
		----------------------Rupees------------------			
Assets					
Loans and advances					
Loans to employees	15 and 19	14,603,566	16,174,563	5,910,739	6,802,918
Advances to suppliers	19	-	426,690,329	-	305,668,900
Advances to contractors	19	-	719,295	-	51,999
Deposits					
Long term security deposits		-	20,769,440	-	20,769,440
Bank balances	22	7,182,797	35,945,218	3,074,263	965,238,181
Liabilities					
Loan and advances					
Long term financing	7	3,501,105,000	160,000,000	4,447,281,406	275,000,000
Short term borrowings	10	11,448,862,550	671,219,972	9,977,110,967	840,000,000
Advances from customers		-	69,011,424	-	28,252,171
Income					
Return on bank deposits	28	92,176	91,637	106,162	1,503,855

	Note	2016 Rupees	2015 Rupees
42.2 Dividend income	28		
Dividend income from Nishat Chunian Power Limited		1,125,514,920	1,406,893,650
42.3 Sources of other income	28		
Return on bank deposits		183,813	1,610,017
Credit balances written back		-	14,194,155
Dividend income from Nishat Chunian Power Limited		1,125,514,920	1,406,893,650
Gain on disposal of operating fixed assets		13,636,790	7,887,327
Sale of scrap		42,941,064	48,274,783
Miscellaneous - fines and deductions		8,442,325	1,665,730
		1,190,718,912	1,480,525,662
42.4 Exchange loss			
Earned from actual currency		(1,347,976)	(16,902,718)
42.5 Revenue (external) from different business segments	37		
Spinning		14,013,687,124	14,383,614,349
Weaving		4,362,790,019	2,998,420,202
Processing and home textile		7,422,644,410	6,398,420,245
		25,799,121,553	23,780,454,796

42.6 Relationship with banks

Name	Relationship	
	Non Islamic window operations	With Islamic windows operations
Al-Baraka Bank (Pakistan) Limited	–	✔
Allied Bank Limited	✔	–
Bank Alfalah Limited	✔	–
Bank Al-Habib Limited	✔	–
BankIslami Pakistan Limited	–	✔
Burj Bank Limited	–	✔
Citibank N.A.	✔	–
Dubai Islamic Bank (Pakistan) Limited	–	✔
Faysal Bank Limited	✔	–
Habib Bank Limited	✔	–
MCB Bank Limited	✔	–
Meezan Bank Limited	–	✔
National Bank of Pakistan	✔	–
NIB Bank Limited	✔	–
Standard Chartered Bank (Pakistan) Limited	✔	–
Summit Bank Limited	✔	–
The Bank of Punjab	✔	–
United Bank Limited	✔	–
Industrial and Commercial Bank of China Limited	✔	–

43. UNUTILIZED CREDIT FACILITIES

The Company has total credit facilities amounting to Rupees 19,065 million (2015: Rupees 18,815 million) out of which Rupees 6,945 million (2015: Rupees 7,998 million) remained unutilized at the end of the year.

44. EVENTS AFTER THE REPORTING PERIOD

The Board of Directors of the Company at their meeting held on October 4, 2016 has proposed cash dividend of Rupees 2.50 per ordinary share (2015: Rupees 1.5 per ordinary share) in respect of the year ended 30 June 2016. However, this event has been considered as non-adjusting events under IAS 10 'Events after the Reporting Period' and has not been recognized in these financial statements.

Under Section 5A of the Income Tax Ordinance, 2001, the Company is required to pay income tax at the rate of 10% of so much of its undistributed profits as exceed 100% of its paid up capital unless it distributes cash dividends equal to 40% of its after tax profits or 50% of its paid up capital, whichever is less, within six months of the end of tax year 2016. The requisite cash dividend has been proposed by the Board of Directors of the Company in their meeting held on October 4, 2016 and will be distributed within the prescribed time limit. Therefore, the recognition of any income tax liability in this respect is not considered necessary.

45. DATE OF AUTHORIZATION FOR ISSUE

These financial statements were authorized for issue on October 4, 2016 by the Board of Directors of the Company.

46. CORRESPONDING FIGURES

Corresponding figures have been rearranged / regrouped wherever necessary for the purpose of comparison. However, no significant rearrangements / regroupings have been made in these financial statements.

47. GENERAL

Figures have been rounded off to nearest of Rupee.

CHIEF EXECUTIVE	DIRECTOR

AS ON JUNE 30, 2016

Number of ShareHolders	Shareholding From	Shareholding To	Total Number of Shares Held	Percentage of Total Capital
2537	1	100	55,970	0.02
1272	101	500	394,161	0.16
1050	501	1000	856,812	0.36
1660	1001	5000	4,499,728	1.87
437	5001	10000	3,253,489	1.35
156	10001	15000	1,977,141	0.82
85	15001	20000	1,505,745	0.63
68	20001	25000	1,609,242	0.67
35	25001	30000	979,087	0.41
25	30001	35000	815,522	0.34
21	35001	40000	798,288	0.33
19	40001	45000	802,347	0.33
19	45001	50000	939,170	0.39
8	50001	55000	419,188	0.17
13	55001	60000	762,924	0.32
5	60001	65000	312,681	0.13
12	65001	70000	817,416	0.34
8	70001	75000	585,681	0.24
5	75001	80000	394,007	0.16
9	80001	85000	738,915	0.31
4	85001	90000	355,455	0.15
6	90001	95000	556,342	0.23
9	95001	100000	895,723	0.37
3	100001	105000	309,000	0.13
6	105001	110000	648,281	0.27
2	110001	115000	226,482	0.09
5	115001	120000	598,448	0.25
1	120001	125000	125,000	0.05
3	125001	130000	389,500	0.16
5	130001	135000	663,896	0.28
2	135001	140000	271,500	0.11
5	145001	150000	737,833	0.31
1	165001	170000	167,000	0.07
3	170001	175000	517,199	0.22
2	180001	185000	364,981	0.15
2	190001	195000	387,900	0.16
2	220001	225000	444,680	0.19
2	235001	240000	480,000	0.20
1	245001	250000	247,200	0.10
1	250001	255000	250,400	0.10
2	260001	265000	524,270	0.22
1	280001	285000	283,400	0.12
1	285001	290000	290,000	0.12
2	295001	300000	600,000	0.25
2	315001	320000	636,100	0.26
1	335001	340000	336,000	0.14
2	340001	345000	682,942	0.28
1	345001	350000	349,200	0.15
1	350001	355000	355,000	0.15
1	390001	395000	392,000	0.16
1	395001	400000	400,000	0.17
1	430001	435000	433,000	0.18
1	445001	450000	446,300	0.19

Number of ShareHolders	Shareholding		Total Number of Shares Held	Percentage of Total Capital
	From	To		
1	450001	455000	454,500	0.19
1	460001	465000	464,900	0.19
1	475001	480000	480,000	0.20
1	485001	490000	486,230	0.20
1	495001	500000	495,500	0.21
1	515001	520000	518,000	0.22
1	550001	555000	553,872	0.23
1	590001	595000	594,500	0.25
2	595001	600000	1,200,000	0.50
1	640001	645000	640,603	0.27
1	695001	700000	700,000	0.29
1	715001	720000	720,000	0.30
1	740001	745000	744,000	0.31
1	795001	800000	800,000	0.33
1	860001	865000	860,001	0.36
1	885001	890000	889,500	0.37
1	895001	900000	900,000	0.37
1	985001	990000	985,450	0.41
1	995001	1000000	1,000,000	0.42
1	1270001	1275000	1,275,000	0.53
1	1290001	1295000	1,290,583	0.54
1	1435001	1440000	1,439,258	0.60
1	1495001	1500000	1,500,000	0.62
1	1595001	1600000	1,596,800	0.66
1	1625001	1630000	1,629,603	0.68
1	2290001	2295000	2,290,500	0.95
1	2355001	2360000	2,358,638	0.98
1	2455001	2460000	2,458,014	1.02
1	2535001	2540000	2,535,016	1.06
1	2555001	2560000	2,558,450	1.07
1	2605001	2610000	2,609,000	1.09
1	2695001	2700000	2,700,000	1.12
1	3150001	3155000	3,153,500	1.31
1	3420001	3425000	3,421,974	1.42
1	4210001	4215000	4,214,700	1.75
1	5135001	5140000	5,139,064	2.14
1	5640001	5645000	5,644,999	2.35
1	5805001	5810000	5,807,791	2.42
1	7480001	7485000	7,482,868	3.11
1	8180001	8185000	8,180,719	3.41
1	8340001	8345000	8,343,914	3.47
1	9170001	9175000	9,172,000	3.82
1	10870001	10875000	10,871,185	4.53
1	11820001	11825000	11,822,562	4.92
1	15805001	15810000	15,809,500	6.58
1	17045001	17050000	17,049,469	7.10
1	20865001	20870000	20,866,776	8.69
1	26630001	26635000	26,630,071	11.09
7,575	**<-----Total-------->**		**240,221,556**	**100.00**

AS ON JUNE 30, 2016

	Mr. Shahzad Saleem	1	27,920,654	11.62
	Mrs. Farhat Saleem	1	5,915,662	2.46
	Spouse:			
	Mrs. Ayesha Shahzad w/o Mr. Shahzad Saleem	1	238,448	0.10
	TOTAL: -	3	34,074,764	14.18
B)	Executives	-	-	0.00
C)	Associated Companies, Undertakings and related parties	4	39,963,940	16.64
D)	Public Sectors Companies & Corporations	-	-	
E)	NIT and IDBP (ICP UNIT)	4	5,617	0.00
F)	Banks, Development Financial Institutions & Non-Banking Financial Institutions	35	24,716,916	10.29
H)	Insurance Companies	9	6,534,014	2.72
I)	Modarabas & Mutual Funds	17	10,860,180	4.52
J)	*Shareholding 5% or more	*3	60,609,992	*36.85
K)	Joint Stock Companies	91	31,595,372	13.15
L)	Others	33	2,131,497	0.89
M)	General Public	7,379	90,339,256	37.61
	TOTAL: -	7,575	240,221,556	100.00

* Shareholders having 5% or above shares exist in other categories therefore not included in total.

Shareholding Detail of 5% or more

Name of Shareholder	Shares held	%
MIAN YAHYA SALEEM	27,920,654	11.62
MR. SHAHZAD SALEEM	27,920,654	11.62
NISHAT MILLS LIMITED	32,689,338	13.61
TOTAL :-	88,530,646	36.85

INFORMATION UNDER CLASUSE XIX(I) OF THE CODE OF CORPORATE GOVERNANCE

All the trade in the company's shares carried by its Direactors, CEO, CPO, Company Secretary and their spouse and monor children during the year July1, 2015 to June 30, 2016:

Sale	Purchase
-	-

NISHAT (CHUNIAN) LIMITED
AND ITS SUBSIDIARY COMPANIES

CONSOLIDATED FINANCIAL STATEMENTS WITH ACCOMPANYING INFORMATION

30 JUNE 2016

The Board of Directors is pleased to present their report together with the consolidated audited results of Nishat (Chunian) Limited and its subsidiaries for the year ended June 30, 2016. The Directors' Report, giving a commentary on the performance of Nishat (Chunian Limited for the year ended June 30, 2016 has been presented separately. The group results comprise of financial statements of Nishat (Chunian) Limited ("the Holding Company"), Nishat Chunian Power Limited (NCPL) , Nishat Chunian USA Inc., NC Electric Company Limited and NC Entertainment (Private) Limited.

Financial Highlights	**2016**	**2015**
	(Rupees in million)	
Turnover	39,744	46,509
Gross Profit	6,878	7,208
Profit before taxation	3,266	2,767
Taxation	287	343
Profit after taxation	2,979	2,425
Earnings per share (basic & diluted) – Rupees	6.85	4.31 (restated)

Nishat Chunian Power Limited, incorporated under the Companies Ordinance, 1984 on 23 February, 2007, is established with the objective of setting up power generation project having gross capacity of 200MW under a 25 year 'take or pay' agreement with National Transmission & Dispatch Company Limited (NTDCL). NCPL started its operations on July 21, 2010. The Company has been listed on Karachi, Islamabad and Lahore Stock Exchanges. Nishat (Chunian) Limited currently owns and controls 51.07% shares of Nishat Chunian Power Limited. The Directors' Report giving a commentary on the performance of NCPL for the year ended 30 June 2016 has been presented separately.

Nishat Chunian USA Inc. is a foreign subsidiary incorporated under the Business Corporation Laws of the State of New York. It is a wholly owned subsidiary incorporated with a principle objective to liaison Holding Company's marketing department providing access, information and other services relating to USA Market and to import home textile products and distribute to local retailers in USA.

NC Electric Company Limited, incorporated under the Companies Ordinance, 1984 on 18th April, 2014, is established with the objective of setting up coal based power plant of gross capacity of 46 MW. This will help Nishat (Chunian) Limited (holding company) to reduce their fuel and electricity cost.

NC Entertainment (Private) Limited is registered under the Companies Ordinance, 1984 as a company limited by shares on 31 January 2014. This company was acquired last year in pursuance of our diversification strategy. Through this acquisition group has entered in cinema business.

On behalf of the Board

SHAHZAD SALEEM
Chief Executive

Date: October 4, 2016

LAHORE

AUDITORS' REPORT

TO THE MEMBERS

We have audited the annexed consolidated financial statements comprising consolidated balance sheet of Nishat (Chunian) Limited (the Holding Company) and its Subsidiary Companies (together referred to as Group) as at 30 June 2016 and the related consolidated profit and loss account, consolidated statement of comprehensive income, consolidated cash flow statement and consolidated statement of changes in equity together with the notes forming part thereof, for the year then ended. We have also expressed separate opinions on the financial statements of Nishat (Chunian) Limited and NC Electric Company Limited. The financial statements of the Subsidiary Companies, Nishat Chunian Power Limited, NC Entertainment (Private) Limited and Nishat Chunian USA Inc. were audited by other firms of auditors whose reports have been furnished to us and our opinion, in so far as it relates to the amounts included for such Companies, is based solely on the reports of such other auditors. These financial statements are the responsibility of the Holding Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

Our audit was conducted in accordance with the International Standards on Auditing and accordingly included such tests of accounting records and such other auditing procedures as we considered necessary in the circumstances.

In our opinion, the consolidated financial statements present fairly the financial position of Nishat (Chunian) Limited and its Subsidiary Companies as at 30 June 2016 and the results of their operations for the year then ended.

The auditors of Nishat Chunian Power Limited (Subsidiary Company) have drawn attention to Note 17.4 to the consolidated financial statements, which describe the matter regarding recoverability of certain trade debts. Their opinion is not qualified in respect of this matter.

RIAZ AHMAD & COMPANY
Chartered Accountants

Name of engagement partner:
Mubashar Mehmood

Date: October 4, 2016

LAHORE

CONSOLIDATED BALANCE SHEET

AS AT JUNE 30, 2016

	Note	2016 Rupees	2015 Rupees
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized share capital	3	3,000,000,000	3,000,000,000
Issued, subscribed and paid-up share capital	4	2,402,215,560	2,001,846,300
Share deposit money	5	-	951,794,725
Reserves	6	10,689,601,317	8,819,241,226
Equity attributable to equity holders of the Holding Company		13,091,816,877	11,772,882,251
Non-controlling interest		3,562,941,251	3,607,323,562
Total equity		16,654,758,128	15,380,205,813
LIABILITIES			
NON-CURRENT LIABILITIES			
Long term financing	7	13,377,738,486	12,976,710,981
CURRENT LIABILITIES			
Trade and other payables	8	2,593,380,872	1,879,738,635
Accrued mark-up	9	458,805,704	525,773,933
Short term borrowings	10	16,460,565,575	16,301,412,103
Derivative financial instruments		1,713,049	-
Current portion of non-current liabilities	11	3,321,242,615.00	3,248,813,130
		22,835,707,815	21,955,737,801
Total liabilities		36,213,446,301	34,932,448,782
CONTINGENCIES AND COMMITMENTS	12		
TOTAL EQUITY AND LIABILITIES		52,868,204,429	50,312,654,595

The annexed notes form an integral part of these consolidated financial statements.

CHIEF EXECUTIVE

CONSOLIDATED BALANCE SHEET

AS AT JUNE 30, 2016

	Note	2016 Rupees	2015 Rupees
ASSETS			
NON-CURRENT ASSETS			
Fixed assets	13	27,424,478,642	24,373,712,823
Long term loans to employees	14	24,213,002	16,459,773
Long term security deposits		20,874,440	20,874,440
		27,469,566,084	24,411,047,036
CURRENT ASSETS			
Stores, spare parts and loose tools	15	1,470,107,563	1,560,071,795
Stock-in-trade	16	8,001,720,738	7,400,959,342
Trade debts	17	11,221,170,113	12,502,422,838
Loans and advances	18	1,300,670,193	1,026,674,441
Short term deposits and prepayments	19	17,060,032	20,516,746
Accrued interest		-	477,712
Other receivables	20	3,301,274,890	2,354,067,741
Short term investments	21	10,520,822	21,891,484
Cash and bank balances	22	76,113,994	1,014,525,460
		25,398,638,345	25,901,607,559
TOTAL ASSETS		52,868,204,429	50,312,654,595

DIRECTOR

CONSOLIDATED PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED JUNE 30, 2016

	Note	2016 Rupees	2015 Rupees
SALES	23	39,744,450,083	46,509,253,887
COST OF SALES	24	(32,866,371,715)	(39,301,654,299)
GROSS PROFIT		6,878,078,368	7,207,599,588
DISTRIBUTION COST	25	(925,584,306)	(815,192,033)
ADMINISTRATIVE EXPENSES	26	(332,581,672)	(331,503,468)
OTHER EXPENSES	27	(188,771,303)	(143,556,649)
		(1,446,937,281)	(1,290,252,150)
		5,431,141,087	5,917,347,438
OTHER INCOME	28	95,968,060	98,555,804
PROFIT FROM OPERATIONS		5,527,109,147	6,015,903,242
FINANCE COST	29	(2,261,534,490)	(3,248,414,233)
PROFIT BEFORE TAXATION		3,265,574,657	2,767,489,009
TAXATION	30	(286,506,930)	(342,947,481)
PROFIT AFTER TAXATION		2,979,067,727	2,424,541,528
PROFIT ATTRIBUTABLE TO:			
EQUITY HOLDERS OF THE HOLDING COMPANY		1,630,301,367	912,297,690
NON-CONTROLLING INTEREST		1,348,766,360	1,512,243,838
		2,979,067,727	2,424,541,528
			Restated
EARNINGS PER SHARE - BASIC AND DILUTED	31	6.85	4.31

The annexed notes form an integral part of these consolidated financial statements.

CHIEF EXECUTIVE

DIRECTOR

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED JUNE 30, 2016

	2016 Rupees	2015 Rupees
PROFIT AFTER TAXATION	2,979,067,727	2,424,541,528
OTHER COMPREHENSIVE LOSS		
Items that will not be reclassified to profit or loss	-	-
Items that may be reclassified subsequently to profit or loss:		
Exchange difference on translation of foreign operations	(162,832)	(764,083)
Other comprehensive loss for the year	(162,832)	(764,083)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	2,978,904,895	2,423,777,445
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:		
EQUITY HOLDERS OF THE HOLDING COMPANY	1,630,138,535	911,533,607
NON-CONTROLLING INTEREST	1,348,766,360	1,512,243,838
	2,978,904,895	2,423,777,445

The annexed notes form an integral part of these consolidated financial statements.

CHIEF EXECUTIVE

DIRECTOR

CONSOLIDATED CASH FLOW STATEMENT

FOR THE YEAR ENDED JUNE 30, 2016

	Note	2016 Rupees	2015 Rupees
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations	32	7,609,768,082	8,027,637,742
Net increase in long term security deposits		-	(25,000)
Finance cost paid		(2,328,502,719)	(3,451,760,189)
Income tax paid		(454,802,181)	(517,728,154)
Net increase in long term loans to employees		(8,320,856)	(12,785,434)
Net cash generated from operating activities		4,818,142,326	4,045,338,965
CASH FLOWS FROM INVESTING ACTIVITIES			
Capital expenditure on property, plant and equipment		(5,080,718,915)	(2,714,871,871)
Capital expenditure on intangible asset		(5,991,800)	-
Proceeds from sale of operating fixed assets		72,653,608	31,766,695
Acquisition of subsidiary net of cash and cash equivalents		-	2,175,089
Short term investments - net		10,160,225	-
Profit on bank deposits received		4,705,938	4,568,325
Net cash used in investing activities		(4,999,190,944)	(2,676,361,762)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from long term financing		3,780,045,868	899,091,997
Repayment of long term financing		(3,275,338,878)	(3,032,186,124)
Share deposit money received		49,128,425	951,794,725
Repayment of redeemable capital		(31,250,000)	(125,000,000)
Short term borrowings - net		159,153,472	1,422,331,239
Dividend paid to non-controlling interest		(1,078,566,714)	(1,348,208,394)
Dividends paid		(360,372,189)	(188,861,504)
Net cash used in financing activities		(757,200,016)	(1,421,038,061)
Net decrease in cash and cash equivalents		(938,248,634)	(52,060,858)
Impact of exchange translation		(162,832)	(764,083)
Cash and cash equivalents at the beginning of the year		1,014,525,460	1,067,350,401
Cash and cash equivalents at the end of the year		76,113,994	1,014,525,460

The annexed notes form an integral part of these consolidated financial statements.

CHIEF EXECUTIVE

DIRECTOR

CONSOLIDATED STATEMENT OF CHANGE IN EQUITY

FOR THE YEAR ENDED JUNE 30, 2016

	ATTRIBUTABLE TO EQUITY HOLDERS OF THE HOLDING COMPANY									NON-CONTROLLING INTEREST	TOTAL EQUITY
	SHARE CAPITAL	SHARE DEPOSIT MONEY	CAPITAL RESERVES		REVENUE RESERVES			TOTAL RESERVES	SHAREHOLDERS' EQUITY		
			Exchange translation reserve	Share premium	General reserve	Unappropriated profit	Total				
	Rupees										
Balance as at 30 June 2014	2,001,846,300	-	(56,857)	-	1,629,221,278	6,478,727,828	8,107,949,106	8,107,892,249	10,109,738,549	3,443,288,118	13,553,026,667
Transactions with owners:											
Final dividend for the year ended 30 June 2014 @ Rupee 1 per ordinary share	-	-	-	-	-	(200,184,630)	(200,184,630)	(200,184,630)	(200,184,630)	-	(200,184,630)
Share deposit money received during the year	-	951,794,725	-	-	-	-	-	-	951,794,725	-	951,794,725
Dividend to non-controlling interest	-	-	-	-	-	-	-	-	-	(1,348,208,394)	(1,348,208,394)
	-	951,794,725	-	-	-	(200,184,630)	(200,184,630)	(200,184,630)	751,610,095	(1,348,208,394)	(596,598,299)
Profit for the year	-	-	-	-	-	912,297,690	912,297,690	912,297,690	912,297,690	1,512,243,838	2,424,541,528
Other comprehensive loss for the year	-	-	(764,083)	-	-	-	-	(764,083)	(764,083)	-	(764,083)
Total comprehensive income for the year	-	-	(764,083)	-	-	912,297,690	912,297,690	911,533,607	911,533,607	1,512,243,838	2,423,777,445
Balance as at 30 June 2015	2,001,846,300	951,794,725	(820,940)	-	1,629,221,278	7,190,840,888	8,820,062,166	8,819,241,226	11,772,882,251	3,607,323,562	15,380,205,813
Transactions with owners:											
Final dividend for the year ended 30 June 2015 @ Rupees 1.5 per ordinary share	-	-	-	-	-	(360,332,334)	(360,332,334)	(360,332,334)	(360,332,334)	-	(360,332,334)
Share deposit money received during the year	-	49,128,425	-	-	-	-	-	-	49,128,425	-	49,128,425
Issue of right shares during the year	400,369,260	(1,000,923,150)	-	600,553,890	-	-	-	600,553,890	-	-	-
Dividend to non-controlling interest	-	-	-	-	-	-	-	-	-	(1,393,148,671)	(1,393,148,671)
	400,369,260	(951,794,725)	-	600,553,890	-	(360,332,334)	(360,332,334)	240,221,556	(311,203,909)	(1,393,148,671)	(1,704,352,580)
Profit for the year	-	-	-	-	-	1,630,301,367	1,630,301,367	1,630,301,367	1,630,301,367	1,348,766,360	2,979,067,727
Other comprehensive loss for the year	-	-	(162,832)	-	-	-	-	(162,832)	(162,832)	-	(162,832)
Total comprehensive income for the year	-	-	(162,832)	-	-	1,630,301,367	1,630,301,367	1,630,138,535	1,630,138,535	1,348,766,360	2,978,904,895
Balance as at 30 June 2016	2,402,215,560	-	(983,772)	600,553,890	1,629,221,278	8,460,809,921	10,090,031,199	10,689,601,317	13,091,816,877	3,562,941,251	16,654,758,128

The annexed notes form an integral part of these consolidated financial statements.

CHIEF EXECUTIVE

DIRECTOR

1. THE GROUP AND ITS OPERATIONS

The Group consists of:

Holding Company

- Nishat (Chunian) Limited

Subsidiary Companies

- Nishat Chunian Power Limited
- Nishat Chunian USA Inc.
- NC Electric Company Limited
- NC Entertainment (Private) Limited

Nishat (Chunian) Limited

Nishat (Chunian) Limited ("the Holding Company") is a public limited company incorporated in Pakistan under the Companies Ordinance, 1984 and is listed on Pakistan Stock Exchange Limited. Its registered office is situated at 31-Q, Gulberg II, Lahore. The Holding Company is engaged in business of spinning, weaving, dyeing, printing, stitching, processing, doubling, sizing, buying, selling and otherwise dealing in yarn, fabrics and made-ups made from raw cotton, synthetic fibre and cloth and to generate, accumulate, distribute, supply and sell electricity.

Nishat Chunian Power Limited

Nishat Chunian Power Limited is a public limited company incorporated in Pakistan under the Companies Ordinance, 1984 and listed on the Pakistan Stock Exchange Limited. The principal activity of Nishat Chunian Power Limited is to build, own, operate and maintain a fuel fired power station having gross capacity of 200 MW and net capacity of 195.722 MW at Jamber Kalan, Tehsil Pattoki, District Kasur, Punjab, Pakistan. Its registered office is situated at 31-Q, Gulberg II, Lahore. Nishat Chunian Power Limited has commenced commercial operations from 21 July 2010 and the twenty five years term of the Power Purchase Agreement (PPA) with National Transmission and Despatch Company Limited (NTDCL) starts from this date. Ownership interest held by non-controlling interests in Nishat Chunian Power Limited is 48.93% (2015: 48.93%).

Nishat Chunian USA Inc.

Nishat Chunian USA Inc. is a foreign subsidiary incorporated under the Business Corporation Laws of the State of New York. The registered office of Nishat Chunian USA Inc. is situated at Suite No. 639, 7 West, 34th Street New York, NY 10001, USA. The principal business of the Nishat Chunian USA Inc. is to import home textile products and distribute to local retailers.

NC Electric Company Limited

NC Electric Company Limited is a public limited company incorporated in Pakistan on 18 April 2014 under the Companies Ordinance, 1984. NC Electric Company Limited is a wholly owned subsidiary of Nishat (Chunian) Limited. Its registered office is situated at 31-Q, Gulberg II, Lahore. The principal objects of NC Electric Company Limited are to develop, own and operate a 40 MW and 8 TPH process steam coal fired electric power generation project at 49 KM, Multan Road, near Bhai Phero, District Kasur.

NC Entertainment (Private) Limited

NC Entertainment (Private) Limited is registered under the Companies Ordinance, 1984 as a company limited by shares on 31 January 2014. The registered office of NC Entertainment (Private) Limited is situated at 31-Q, Gulberg II, Lahore. The main objective of NC Entertainment (Private) Limited is to construct and/or operate cinemas, theatres and studios. NC Entertainment (Private) Limited is a wholly owned subsidiary of Nishat (Chunian) Limited.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all years presented, unless otherwise stated:

2.1 Basis of preparation

a) Statement of compliance

These consolidated financial statements have been prepared in accordance with approved accounting standards as applicable in Pakistan. Approved accounting standards comprise of such International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board as are notified under the Companies Ordinance, 1984, provisions of and directives issued under the Companies Ordinance, 1984. In case requirements differ, the provisions or directives of the Companies Ordinance, 1984 shall prevail.

b) Accounting convention

These consolidated financial statements have been prepared under the historical cost convention except for the certain financial instruments carried at fair value.

c) Critical accounting estimates and judgments

The preparation of these consolidated financial statements in conformity with the approved accounting standards requires the use of certain critical accounting estimates. It also requires the management to exercise its judgment in the process of applying the accounting policies. Estimates and judgments are continually evaluated and are based on historical experience, including expectation of future events that are believed to be reasonable under the circumstances. The areas where various assumptions and estimates are significant to the consolidated financial statements or where judgments were exercised in application of accounting policies are as follows:

Useful lives, patterns of economic benefits and impairments

Estimates with respect to residual values and depreciable lives and pattern of flow of economic benefits are based on the analysis of the management. Further, the Group reviews the values of assets for possible impairments on an annual basis. Any change in the estimates in the future might affect the carrying amount of respective item of property, plant and equipment, with a corresponding effect on the depreciation charge and impairment.

Inventories

Net realizable value of inventories is determined with reference to currently prevailing selling prices less estimated expenditure to make sales.

Accumulating compensated absences

The provision for accumulating compensated absences is made by the Holding Company on the basis of accumulated leave balance on account of employees.

Taxation

In making the estimates for income tax currently payable, the management takes into account the current income tax law and the decisions of appellate authorities on certain issues in the past.

Provisions for doubtful debts

The Group reviews its receivables against any provision required for any doubtful balances on an ongoing basis. The provision is made while taking into consideration expected recoveries, if any.

d) Standards that are effective in current year and are relevant to the Group

The following standards are mandatory for the Group's accounting periods beginning on or after 01 July 2015:

IFRS 10 'Consolidated Financial Statements' (effective for annual periods beginning on or after 01 January 2015). Concurrent with the issuance of IFRS 10, the IASB has also issued IFRS 11 'Joint Arrangements', IFRS 12 'Disclosure of Interests in Other Entities', IAS 27 (revised 2011) 'Separate Financial Statements' and IAS 28 (revised 2011) 'Investments in Associates and Joint Ventures'. The objective of IFRS 10 is to have a single basis for consolidation for all entities, regardless of the nature of the investee, and that basis is control. The definition of control includes three elements: power over an investee, exposure or rights to variable returns of the investee and the ability to use power over the investee to affect the investor's returns. IFRS 10 replaces those parts of IAS 27 that address when and how an investor should prepare consolidated financial statements and replaces Standing Interpretations Committee (SIC) 12 'Consolidation – Special Purpose Entities' in its entirety. This standard does not have significant impact on these consolidated financial statements, except for certain additional disclosures.

IFRS 12 'Disclosures of Interests in Other Entities' (effective for annual periods beginning on or after 01 January 2015). This standard includes the disclosure requirements for all forms of interests in other entities, including joint arrangements, associates, special purpose vehicles and other off-balance sheet vehicles. This standard does not have significant impact on these consolidated financial statements, except for certain additional disclosures.

IFRS 13 'Fair value Measurement' (effective for annual periods beginning on or after 01 January 2015). This standard aims to improve consistency and reduce complexity by providing a precise definition of fair value and a single source of fair value measurement and disclosure requirements for use across IFRSs. The requirements, which are largely aligned between IFRSs and US GAAP, do not extend the use of fair value accounting but provide guidance on how it should be applied where its use is already required or permitted by other standards within IFRSs or US GAAP. This standard does not have significant impact on these consolidated financial statements, except for certain additional disclosures.

e) Standard and amendments to published approved standards that are effective in current year but not relevant to the Group

There are other standard and amendments to published standards that are mandatory for accounting periods beginning on or after 01 July 2015 but are considered not to be relevant or do not have any significant impact on the Group's consolidated financial statements and are therefore not detailed in these consolidated financial statements.

f) Standards and amendments to published approved accounting standards that are not yet effective but relevant to the Group

Following standards and amendments to existing standards have been published and are mandatory for the Group's accounting periods beginning on or after 01 July 2016 or later periods:
IFRS 9 'Financial Instruments' (effective for annual periods beginning on or after 01 January 2018). A finalized version of IFRS 9 which contains accounting requirements for financial instruments, replacing IAS 39 'Financial Instruments: Recognition and Measurement'. Financial assets are classified by reference to the business model within which they are held and their contractual cash flow characteristics. The 2014 version of IFRS 9 introduces a 'fair value through other comprehensive income' category for certain debt instruments. Financial liabilities are classified in a similar manner to under IAS 39, however there are differences in the requirements applying to the measurement of an entity's own credit risk. The 2014 version of IFRS 9 introduces an 'expected credit loss' model for the measurement of the

impairment of financial assets, so it is no longer necessary for a credit event to have occurred before a credit loss is recognized. It introduces a new hedge accounting model that is designed to be more closely aligned with how entities undertake risk management activities when hedging financial and non-financial risk exposures. The requirements for the derecognition of financial assets and liabilities are carried forward from IAS 39. The management of the Group is in the process of evaluating the impacts of the aforesaid standard on the Group's consolidated financial statements.

IFRS 15 'Revenue from Contracts with Customers' (effective for annual periods beginning on or after 01 January 2018). IFRS 15 provides a single, principles based five-step model to be applied to all contracts with customers. The five steps in the model are: identify the contract with the customer; identify the performance obligations in the contract; determine the transaction price; allocate the transaction price to the performance obligations in the contracts; and recognize revenue when (or as) the entity satisfies a performance obligation. Guidance is provided on topics such as the point in which revenue is recognized, accounting for variable consideration, costs of fulfilling and obtaining a contract and various related matters. New disclosures about revenue are also introduced. The management of the Group is in the process of evaluating the impacts of the aforesaid standard on the Group's consolidated financial statements

IFRS 16 'Lease' (effective for annual periods beginning on or after 01 January 2019). IFRS 16 specifies how an entity will recognize, measure, present and disclose leases. The standard provides a single lessee accounting model, requiring lessees to recognize assets and liabilities for all leases unless the lease term is 12 months or less or the underlying asset has a low value. Lessors continue to classify leases as operating or finance, with IFRS 16 approach to lessor accounting substantially unchanged from its predecessor, IAS 17 'Leases'. IFRS 16 replaces IAS 17, IFRIC 4 'Determining Whether an Arrangement Contains a Lease', SIC-15 'Operating Leases–Incentives' and SIC-27 'Evaluating the Substance of Transactions Involving the Legal Form of a Lease'. The management of the Group is in the process of evaluating the impacts of the aforesaid standard on the Group's consolidated financial statements.

IFRS 15 (Amendments), 'Revenue from Contracts with Customers' (effective for annual periods beginning on or after 01 January 2018). Amendments clarify three aspects of the standard (identifying performance obligations, principal versus agent considerations, and licensing) and to provide some transition relief for modified contracts and completed contracts. The aforesaid amendments are not expected to have a material impact on the Group's consolidated financial statements.

IAS 7 (Amendments), 'Statement of Cash Flows' (effective for annual periods beginning on or after 01 January 2017). Amendments have been made to clarify that entities shall provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities. The aforesaid amendments will result in certain additional disclosures in the Group's consolidated financial statements.

IAS 16 (Amendments) 'Property, Plant and Equipment' (effective for annual periods beginning on or after 01 January 2016). The amendments clarify that a depreciation method which is based on revenue, generated by an activity by using of an asset is not appropriate for property, plant and equipment; and add guidance that expected future reductions in the selling price of an item that was produced using an asset could indicate the expectation of technological or commercial obsolescence of the asset, which, in turn, might reflect a reduction of the future economic benefits embodied in the asset. However, the amendments are not expected to have a material impact on the Group's consolidated financial statements.

IAS 27 (Amendments) 'Separate Financial Statements' (effective for annual periods beginning on or after 01 January 2016). The amendments have been made to permit investments in subsidiaries, joint ventures and associates to be optionally accounted for using the equity method in separate financial statements. The management of the Group is in the process of evaluating the impacts of the aforesaid amendments on the Group's consolidated financial statements.

Amendments to IFRS 10 and IAS 28 (deferred indefinitely) to clarify the treatment of the sale or contribution of assets from an investor to its associates or joint venture, as follows: require full recognition in the investor's financial statements of gains and losses arising on the sale or contribution of assets that constitute a business (as defined in IFRS 3 'Business Combinations'); require the partial recognition of gains and losses where the assets do not constitute a business, i.e. a gain or loss is recognized only to the extent of the unrelated investors' interests in that associate or joint venture. These requirements apply regardless of the legal form of the transaction, e.g. whether the sale or contribution of assets occur by an investor transferring shares in a subsidiary that holds the assets (resulting in loss of control of the subsidiary), or by the direct sale of the assets themselves. The management of the Group is in the process of evaluat-

ing the impacts of the aforesaid amendments on the Group's consolidated financial statements.

g) Standard and amendments to published standards that are not yet effective and not considered relevant to the Group

There are other standard and amendments to published standards that are mandatory for accounting periods beginning on or after 01 July 2016 but are considered not to be relevant or do not have any significant impact on the Group's consolidated financial statements and are therefore not detailed in these consolidated financial statements.

h) Exemption from applicability of certain interpretations to standards

Securities and Exchange Commission of Pakistan (SECP) through SRO 24(I)/2012 dated 16 January 2012, has exempted the application of International Financial Reporting Interpretations Committee (IFRIC) 4 'Determining whether an Arrangement contains a Lease' to all companies. However, the SECP made it mandatory to disclose the impact of the application of IFRIC 4 on the results of the companies. This interpretation provides guidance on determining whether arrangements that do not take the legal form of a lease should, nonetheless, be accounted for as a lease in accordance with International Accounting Standard (IAS) 17 'Leases'.

Consequently, Nishat Chunian Power Limited – Subsidiary Company is not required to account for a portion of its PPA with NTDCL as a lease under IAS 17. If the aforesaid Subsidiary Company were to follow IFRIC 4 and IAS 17, the effect on the consolidated financial statements would be as follows:

	2016 Rupees	2015 Rupees
De-recognition of property, plant and equipment	(12,466,155,032)	(13,223,381,381)
Recognition of lease debtor	12,487,141,283	13,844,802,763
Increase in un-appropriated profit at the beginning of the year	621,421,382	934,429,109
Decrease in profit for the year	(600,435,131)	(313,007,727)
Increase in un-appropriated profit at the end of the year	20,986,251	621,421,382

2.2 Consolidation

Subsidiaries

Subsidiaries are all entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The assets and liabilities of the subsidiary companies have been consolidated on a line by line basis and the carrying value of investments held by the Holding Company is eliminated against the Holding Company's share in paid up capital of the subsidiary companies.

Intra group balances and transactions have been eliminated.

Non-controlling interest is that part of net results of the operations and of net assets of the subsidiary companies attributable to interest which is not owned by the Holding Company. Non-controlling interest is presented as a separate item in the consolidated financial statements.

Translation of the financial statements of foreign subsidiary

The financial statements of foreign subsidiary of which the functional currency is different from that used in preparing

the Group's consolidated financial statements are translated in functional currency of the Group. Balance sheet items are translated at the exchange rate at the balance sheet date and profit and loss account items are converted at the average rate for the period. Any resulting translation differences are recognized under exchange translation reserve in consolidated reserves.

2.3 Taxation

Current

Provision for current tax relating to the Holding Company and NC Entertainment (Private) Limited – Subsidiary Company is based on the taxable income for the year determined in accordance with the prevailing law for taxation of income. The charge for current tax is calculated using prevailing tax rates or tax rates expected to apply to the profit for the year if enacted. The charge for current tax also includes adjustments, where considered necessary, to provision for tax made in previous years arising from assessments framed during the year for such years.

The profits and gains of Nishat Chunian Power Limited – Subsidiary Company and NC Electric Company Limited – Subsidiary Company from electric power generation are exempt from tax under clause (132), Part I of the Second Schedule to the Income Tax Ordinance, 2001, subject to the conditions and limitations provided therein. The aforesaid Subsidiary Companies are also exempt from minimum tax on turnover under clause (11A), Part IV of the Second Schedule to the Income Tax Ordinance, 2001. However, full provision is made in the consolidated profit and loss account on income from sources not covered under the above clause at current rates of taxation after taking into account, tax credits and rebates available, if any.

Provision for income tax on the income of foreign subsidiary – Nishat Chunian USA Inc. is computed in accordance with the tax legislation in force in the country where the income is taxable.

Deferred

Deferred tax is accounted for using the balance sheet liability method in respect of all temporary differences arising from differences between the carrying amount of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of the taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences and deferred tax assets to the extent that it is probable that taxable profits will be available against which the deductible temporary differences, unused tax losses and tax credits can be utilized.

Deferred tax is calculated at the rates that are expected to apply to the period when the differences reverse based on tax rates that have been enacted or substantively enacted by the reporting date. Deferred tax is charged or credited in the profit and loss account, except to the extent that it relates to items recognized in other comprehensive income or directly in equity. In this case the tax is also recognized in statement of comprehensive income or directly in equity, respectively.

Nishat Chunian Power Limited - Subsidiary Company and NC Electric Company Limited – Subsidiary Company have not made provision for deferred tax as the management believes that the temporary differences will not reverse in the foreseeable future due to the fact that the profits and gains derived from electric power generation are exempt from tax subject to the conditions and limitations provided for in terms of clause (132), Part I of the Second Schedule to the Income Tax Ordinance, 2001.

2.4 Employee benefits

The main features of the schemes operated are as follows:

Provident fund

The Holding Company and Nishat Chunian Power Limited – Subsidiary Company operate funded provident fund schemes covering all permanent employees. Equal monthly contributions are made both by the employees and the employers' to funds in accordance with the funds' rules. The employers' contributions to the funds are charged to income currently.

Accumulating compensated absences

The Holding Company provides for accumulating compensated absences, when the employees render service that increase their entitlement to future compensated absences. Under the rules, head office employees are entitled to 15 days leave per year while factory staff and factory workers are entitled to 14 days leave per year respectively. Unutilized leaves can be accumulated up to 28 days in case of factory staff and factory workers. Any further un-utilized leaves will lapse. Any un-utilized leave balance can be encashed by them at any time during their employment. Unutilized leaves can be used at any time by all employees, subject to the Holding Company's approval. Provisions are made annually to cover the obligation for accumulating compensated absences and are charged to income.

2.5 Fixed assets

Property, plant, equipment and depreciation

Property, plant and equipment except freehold land and capital work-in-progress are stated at cost less accumulated depreciation and any identified impairment loss. Cost in relation to certain property, plant and equipment signifies historical cost, borrowing cost pertaining to erection / construction period of qualifying assets and other directly attributable cost of bringing the asset to working condition. Freehold land and capital work-in-progress are stated at cost less any identified impairment loss.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and cost of the item can be measured reliably. All other repair and maintenance costs are charged to income during the period in which they are incurred.

Depreciation

Depreciation on all operating fixed assets is charged to income on the reducing balance method, except in case of Nishat Chunian Power Limited - Subsidiary Company and Nishat Chunian USA Inc. – Subsidiary Company, where this accounting estimate is based on straight line method, so as to write off the cost / depreciable amount of the assets over their estimated useful lives at the rates given in Note 13.1. Depreciation on additions is charged from the month in which the assets are available for use upto the month prior to disposal. The assets' residual values and useful lives are reviewed at each financial year end and adjusted if impact on depreciation is significant.

Derecognition

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and carrying amount of the asset) is included in the consolidated profit and loss account in the year the asset is derecognized.

Intangible asset

Intangible assets, which are non-monetary assets without physical substance, are recognized at cost, which comprise purchase price, non-refundable purchase taxes and other directly attributable expenditures relating to their implementation and customization. After initial recognition, an intangible asset is carried at cost less accumulated amortization and impairment losses, if any. Intangible assets are amortized from the month when these assets are available for use, using the straight line method, whereby the cost of the intangible asset is amortized over its estimated useful life over which economic benefits are expected to flow to the Group. The useful life and amortization method is reviewed and adjusted, if appropriate, at each reporting date.

2.6 Goodwill

Goodwill represents the excess of the cost of an acquisition over the Group's share of the identifiable net assets acquired. Goodwill is tested annually for the impairment and carried at cost less accumulated impairment losses. Any impairment is recognized immediately through the consolidated profit and loss account and is not subsequently reversed.

Negative goodwill is recognized directly in consolidated profit and loss account in the year of acquisition.

2.7 Investments

Classification of an investment is made on the basis of intended purpose for holding such investment. Management determines the appropriate classification of its investments at the time of purchase and re-evaluates such designation on regular basis.

Investments are initially measured at fair value plus transaction costs directly attributable to acquisition, except for 'investment at fair value through profit or loss' which is measured initially at fair value.

The Group assess at the end of each reporting period whether there is any objective evidence that investments are impaired. If any such evidence exists, the Group applies the provisions of IAS 39 'Financial Instruments: Recognition and Measurement' to its investments.

a) Investment at fair value through profit or loss

Investment classified as held-for-trading and those designated as such are included in this category. Investments are classified as held-for-trading if these are acquired for the purpose of selling in the short term. Gains or losses on investments held-for-trading are recognized in consolidated profit and loss account.

b) Held-to-maturity

Investments with fixed or determinable payments and fixed maturity are classified as held-to-maturity when the Group has the positive intention and ability to hold to maturity. Investments intended to be held for an undefined period are not included in this classification. Other long-term investments that are intended to be held to maturity are subsequently measured at amortized cost. This cost is computed as the amount initially recognized minus principal repayments, plus or minus the cumulative amortization, using the effective interest method, of any difference between the initially recognized amount and the maturity amount. For investments carried at amortized cost, gains and losses are recognized in consolidated profit and loss account when the investments are de-recognized or impaired, as well as through the amortization process.

c) Available-for-sale

Investments intended to be held for an indefinite period of time, which may be sold in response to need for liquidity, or changes to interest rates or equity prices are classified as available-for-sale. After initial recognition, investments which are classified as available-for-sale are measured at fair value. Gains or losses on available-for-sale investments are recognized directly in consolidated statement of comprehensive income until the investment is sold, de-recognized or is determined to be impaired, at which time the cumulative gain or loss previously reported in consolidated statement of comprehensive income is included in consolidated profit and loss account. These are sub-categorized as under:

Quoted

For investments that are actively traded in organized capital markets, fair value is determined by reference to stock exchange quoted market bids at the close of business on the reporting date.

Unquoted

Fair value of unquoted investments is determined on the basis of appropriate valuation techniques as allowed by IAS 39 'Financial Instruments: Recognition and Measurement'.

2.8 Inventories

Inventories, except for stock-in-transit and waste stock, are stated at lower of cost and net realizable value. Cost is determined as follows:

Stores, spare parts and loose tools

Usable stores, spares parts, loose tools are valued principally at weighted average cost, while items considered obsolete are carried at nil value. Items-in-transit are valued at cost comprising invoice value plus other charges paid thereon.

Stock-in-trade

Cost of raw materials is measured using the weighted average cost formula.

Cost of work-in-process and finished goods comprise cost of direct material, labour and appropriate manufacturing overheads. Cost of goods purchased for resale is based on first-in-first-out (FIFO) cost formula.

Materials in transit are stated at cost comprising invoice values plus other charges paid thereon. Waste stock is valued at net realizable value.

Net realizable value signifies the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

2.9 Foreign currencies

These consolidated financial statements are presented in Pak Rupees, which is the Group's functional currency. All monetary assets and liabilities denominated in foreign currencies are translated into Pak Rupees at the rates of exchange prevailing at the balance sheet date, while the transactions in foreign currencies (except the results of foreign operation which are translated to Pak Rupees at the average rate of exchange for the year) during the year are initially recorded in functional currency at the rates of exchange prevailing at the transaction date. All non-monetary items are translated into Pak Rupees at exchange rates prevailing on the date of transaction or on the date when fair values are determined. Exchange gains and losses are recorded in the consolidated profit and loss account.

2.10 Borrowing cost

Borrowing costs are recognized as expense in the period in which these are incurred except to the extent of borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset. Such borrowing costs, if any, are capitalized as part of cost of that asset.

2.11 Revenue recognition

Revenue from different sources is recognized as under:

- Revenue from sales is recognized on dispatch of goods to customers.
- Return on bank deposits is accrued on a time proportionate basis by reference to the principal outstanding and the applicable rate of return.
- Revenue on account of energy is recognized on transmission of electricity to National Transmission and Despatch Company Limited, whereas on account of capacity is recognized when due.

2.12 Share capital

Ordinary shares and irredeemable preference shares are classified as equity. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from the proceeds.

2.13 Financial instruments

Financial instruments carried on the balance sheet include deposits, trade debts, loans and advances, other receivables, short term investments, cash and bank balances, short term borrowings, long term financing, accrued mark-up, derivative financial instruments and trade and other payables. Financial assets and liabilities are recognized when the Group becomes a party to the contractual provisions of the instrument. Initial recognition is made at fair value plus

transaction costs directly attributable to acquisition, except for ‘financial instrument at fair value through profit or loss’ which is measured initially at fair value.

Financial assets are de-recognized when the Group loses control of the contractual rights that comprise the financial asset. The Group loses such control if it realizes the rights to benefits specified in contract, the rights expire or the Group surrenders those rights. Financial liabilities are de-recognized when the obligation specified in the contract is discharged, cancelled or expired. Any gain or loss on subsequent measurement (except available for sale investments) and de-recognition is charged to the profit or loss currently. The particular measurement methods adopted are disclosed in the individual policy statements associated with each item and in the accounting policy of investments.

2.14 Trade debts and other receivables

Trade debts and other receivables are carried at original invoice value less an estimate made for doubtful debts based on a review of all outstanding amounts at the year end. Bad debts are written off when identified.

2.15 Borrowings

Borrowings are recognized initially at fair value and are subsequently stated at amortized cost; any difference between the proceeds and the redemption value is recognized in the consolidated profit and loss account over the period of the borrowings using the effective interest rate method.

2.16 Trade and other payables

Liabilities for trade and other amounts payable are initially recognized at fair value which is normally the transaction cost.

2.17 Offsetting of financial assets and financial liabilities

Financial assets and financial liabilities are set off and the net amount is reported in the consolidated financial statements when there is a legal enforceable right to set off and the management intends either to settle on a net basis or to realize the assets and to settle the liabilities simultaneously.

2.18 Cash and cash equivalents

Cash and cash equivalents are carried in the balance sheet at book value which approximates their fair value. For the purpose of consolidated cash flow statement, cash and cash equivalents comprise cash in hand, cash at banks on current, saving and deposit accounts, other short term highly liquid instruments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

2.19 Derivative financial instruments

Derivative financial instruments are initially recognized at fair value on the date a derivative contract is entered into and are re-measured to fair value at subsequent reporting dates. The method of recognizing the resulting gain or loss depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged. The Group designates certain derivatives as cash flow hedges.

The Group documents at the inception of the transaction the relationship between the hedging instruments and hedged items, as well as its risk management objective and strategy for undertaking various hedge transactions. The Group also documents its assessment, both at hedge inception and on an ongoing basis, of whether the derivatives that are used in hedging transactions are highly effective in offsetting changes in cash flow of hedged items.

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges are recognized in equity. The gain or loss relating to the ineffective portion is recognized immediately in the consolidated profit and loss account.

Amounts accumulated in equity are recognized in consolidated profit and loss account in the periods when the hedged item will affect profit or loss.

2.20 Provisions

Provisions are recognized when the Group has a legal or constructive obligation as a result of past events and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligations and a reliable estimate of the amount can be made.

2.21 Impairment

a) Financial assets

A financial asset is considered to be impaired if objective evidence indicate that one or more events had a negative effect on the estimated future cash flows of that asset.

An impairment loss in respect of a financial asset measured at amortized cost is calculated as a difference between its carrying amount and the present value of estimated future cash flows discounted at the original effective interest rate. An impairment loss in respect of available for sale financial asset is calculated by reference to its current fair value.

Individually significant financial assets are tested for impairment on an individual basis. The remaining financial assets are assessed collectively in groups that share similar credit risk characteristics.

b) Non-financial assets

The carrying amounts of the Group's assets are reviewed at each balance sheet date to determine whether there is any indication of impairment. If such indication exists, the recoverable amount of such asset is estimated. An impairment loss is recognized wherever the carrying amount of the asset exceeds its recoverable amount. Impairment losses are recognized in consolidated profit and loss account. A previously recognized impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognized. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in consolidated profit and loss account.

2.22 Segment reporting

Segment reporting is based on the operating (business) segments of the Group. An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to the transactions with any of the Group's other components. An operating segment's operating results are reviewed regularly by the Group's chief operating decision makers to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

Segment results that are reported to the chief operating decision makers include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Those incomes, expenses, assets, liabilities and other balances which cannot be allocated to a particular segment on a reasonable basis are reported as unallocated.

The Group has five reportable business segments. Spinning (Producing different quality of yarn using natural and artificial fibers), Weaving (Producing different quality of greige fabric using yarn), Processing and Home Textile (Processing greige fabric for production of printed and dyed fabric and manufacturing of home textile articles), Power Generation (Generating, transmitting and distributing power) and Entertainment (Operating cinemas).

Transaction among the business segments are recorded at arm's length prices using admissible valuation methods. Inter segment sales and purchases are eliminated from the total.

2.23 Dividend to ordinary shareholders and other appropriations

Dividend distribution to the ordinary shareholders is recognized as a liability in the Group's consolidated financial statements in period in which the dividends are declared and other appropriations are recognized in the period in which these are approved by the Board of Directors.

2.24 Ijarah transactions

Ujrah (lease) payments are recognized as expenses in consolidated profit and loss account on a straight-line basis over the Ijarah term unless another systematic basis is representative of the time pattern of the user's benefit even if the payments are not on that basis.

3. AUTHORIZED SHARE CAPITAL

2016	2015		2016	2015
(Number of shares)			Rupees	Rupees
280,000,000	280,000,000	Ordinary shares of Rupees 10 each	2,800,000,000	2,800,000,000
20,000,000	20,000,000	Preference shares of Rupees 10 each	200,000,000	200,000,000
300,000,000	300,000,000		3,000,000,000	3,000,000,000

4. ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL

2016	2015		2016	2015
(Number of shares)			Rupees	Rupees
134,757,848	94,720,922	Ordinary shares of Rupees 10 each fully paid in cash	1,347,578,480	947,209,220
104,239,443	104,239,443	Ordinary shares of Rupees 10 each issued as fully paid bonus shares	1,042,394,430	1,042,394,430
1,224,265	1,224,265	Ordinary shares of Rupees 10 each issued as fully paid for consideration other than cash to members of Umer Fabrics Limited as per the Scheme of Arrangement as approved by the Honourable Lahore High Court, Lahore	12,242,650	12,242,650
240,221,556	200,184,630		2,402,215,560	2,001,846,300

	2016	2015
	(Number of shares)	

4.1 Ordinary shares of the Holding Company held by companies that are related parties:

	2016	2015
Nishat Mills Limited	32,689,338	27,241,116
D.G. Khan Cement Company Limited	7,274,602	6,062,169
	39,963,940	33,303,285

4.2 Movement during the year

2016	2015		2016	2015
(Number of shares)			Rupees	Rupees
200,184,630	200,184,630	At 01 July	2,001,846,300	2,001,846,300
40,036,926	-	Issue of right shares of Rupees 10 each at premium (Note 5)	400,369,260	-
240,221,556	200,184,630	At 30 June	2,402,215,560	2,001,846,300

5. SHARE DEPOSIT MONEY

Board of Directors of the Holding Company in its meeting held on 20 April 2015 resolved to increase the issued, subscribed and paid-up share capital of the Holding Company from Rupees 2,001,846,300 to Rupees 2,402,215,560 divided into 240,221,556 shares of Rupees 10 each by issue of 40,036,926 ordinary right shares at Rupees 25 per share including a premium of Rupees 15 per share to the members of the Holding Company in the proportion of 20 right shares for every 100 ordinary shares. A separate bank account was opened for collection of share subscription money from right shares issued to existing shareholders. The funds generated from right issue were made available to the Holding Company on 10 July 2015 after the requirement of stock exchanges relating to confirmation of receipt of the full amount of right issue was fulfilled. Return of allotment was duly filed on 30 July 2015.

	2016 Rupees	2015 Rupees
6. RESERVES		
Composition of reserves is as follows:		
Capital reserves		
Exchange translation reserve	(983,772)	(820,940)
Share premium	600,553,890	-
	599,570,118	(820,940)
Revenue reserves		
General reserve	1,629,221,278	1,629,221,278
Unappropriated profit	8,460,809,921	7,190,840,888
	10,090,031,199	8,820,062,166
	10,689,601,317	8,819,241,226

	2016 Rupees	2015 Rupees
7. LONG TERM FINANCING		
From banking companies / financial institutions - secured		
Long term loans (Note 7.1)	15,043,669,529	15,669,274,111
Long term musharaka (Note 7.2)	1,655,311,572	525,000,000
	16,698,981,101	16,194,274,111
Less: Current portion shown under current liabilities (Note 11)		
Long term loans	3,166,242,615	3,102,563,130
Long term musharaka	155,000,000	115,000,000
	3,321,242,615	3,217,563,130
	13,377,738,486	12,976,710,981

LENDER	2016	2015	RATE OF MARK-UP PER ANNUM	NUMBER OF INSTALMENTS	MARK-UP REPRICING	MARK-UP PAYABLE
	Rupees	Rupees				

7.1 Long term loans

Nishat (Chunian) Limited - Holding Company (Note 7.3)

LENDER	2016 Rupees	2015 Rupees	RATE OF MARK-UP PER ANNUM	NUMBER OF INSTALMENTS	MARK-UP REPRICING	MARK-UP PAYABLE
Standard Chartered Bank (Pakistan) Limited	687,500,000	937,500,000	3-month KIBOR + 0.75%	Sixteen equal quarterly instalments commenced on 04 May 2015 and ending on 04 February 2019.	Quarterly	Quarterly
United Bank Limited	93,750,000	218,750,000	3-month KIBOR + 1.25%	Sixteen equal quarterly instalments commenced on 09 June 2013 and ending on 09 March 2017.	Quarterly	Quarterly
Allied Bank Limited-1	125,000,000	250,000,000	3-month KIBOR + 1.25%	Sixteen equal quarterly instalments commenced on 06 September 2013 and ending on 06 June 2017.	Quarterly	Quarterly
Allied Bank Limited-2	150,000,000	450,000,000	3-month KIBOR + 1.25%	Sixteen equal quarterly instalments commenced on 28 February 2013 and ending on 29 November 2016.	Quarterly	Quarterly
Allied Bank Limited-3	30,872,000	-	SBP rate for LTFF + 1%	Sixteen equal quarterly instalments commencing on 22 July 2016 and ending on 21 April 2020.	-	Quarterly
Allied Bank Limited-4	144,000,000	-	SBP rate for LTFF + 1%	Sixteen equal quarterly instalments commencing on 02 April 2017 and ending on 31 December 2020.	-	Quarterly
Allied Bank Limited-5	155,000,000	-	SBP rate for LTFF + 1%	Sixteen equal quarterly instalments commencing on 02 April 2017 and ending on 31 December 2020.	-	Quarterly
Allied Bank Limited-6	70,128,000	-	SBP rate for LTFF + 1%	Sixteen equal quarterly instalments commencing on 01 April 2017 and ending on 02 January 2021.	-	Quarterly
Askari Bank Limited	297,500,000	-	3-month KIBOR + 0.70%	Twenty equal quarterly instalments commenced on 08 December 2015 and ending on 08 September	Quarterly	Quarterly
Pak Kuwait Investment Company (Private) Limited-1	-	27,777,792	6-month KIBOR + 2%	Eighteen equal quarterly instalments commenced on 21 September 2011 and ended on 21 December	Half Yearly	Quarterly
Pak Kuwait Investment Company (Private) Limited-2	62,980,000	-	SBP rate for LTFF + 0.75%	Eighteen equal quarterly instalments commencing on 16 November 2016 and ending on 16 February	-	Quarterly
The Bank of Punjab-1	-	33,750,000	SBP rate for LTFF + 2.5%	Sixteen equal quarterly instalments commenced on 15 January 2012 and ended on 15 October 2015.	-	Quarterly
The Bank of Punjab-2	150,000,000	250,000,000	3-month KIBOR + 0.75%	Ten equal half yearly instalments commenced on 17 June 2013 and ending on 17 December 2017.	Quarterly	Quarterly
The Bank of Punjab-3	400,000,000	600,000,000	3-month KIBOR + 0.75%	Ten equal half yearly instalments commenced on 10 December 2013 and ending on 10 June 2018.	Quarterly	Quarterly

LENDER	2016	2015	RATE OF MARK-UP PER ANNUM	NUMBER OF INSTALMENTS	MARK-UP REPRICING	MARK-UP PAYABLE
	Rupees	Rupees				
Samba Bank Limited		312,500,000	3-month KIBOR + 0.75%	Sixteen equal quarterly instalments commenced on 28 February 2014 and ending on 31 October 2017.	Quarterly	Quarterly
Saudi Pak Industrial and Agricultural Investment Company Limited		26,378,614	SBP rate for LTFF+ 3%	Eighteen equal quarterly instalments commenced on 31 May 2012 and ending on 31 August 2016. However, the Holding Company has made early repayment of loan during the year.	-	Quarterly
Soneri Bank Limited	46,875,000	109,375,000	3-month KIBOR + 1%	Sixteen equal quarterly instalments commenced on 30 April 2013 and ending on 31 January 2017.	Quarterly	Quarterly
Syndicated term finance						
Allied Bank Limited	660,000,000	880,000,000	3-month KIBOR + 1%	Ten equal half yearly instalments commenced on 27 December 2014 and ending on 27 June 2019.	Quarterly	Quarterly
Habib Bank Limited	180,000,000	240,000,000	3-month KIBOR + 1%	Ten equal half yearly instalments commenced on 27 December 2014 and ending on 27 June 2019.	Quarterly	Quarterly
Habib Metropolitan Bank Limited	60,000,000	80,000,000	3-month KIBOR + 1%	Ten equal half yearly instalments commenced on 27 December 2014 and ending on 27 June 2019.	Quarterly	Quarterly
	900,000,000	1,200,000,000				
NC Electric Company Limited - Subsidiary Company (Note 7.6)						
NIB Bank Limited	807,443,448	649,091,997	SBP rate for LTFF+ 1.25%	Ten equal semi annual instalments with grace period of two years	-	Half yearly
Habib Bank Limited	1,063,402,845	-	6-month KIBOR + 0.90%	Nine equal semi annual instalments with grace period of two years	Half yearly	Quarterly
Allied Bank Limited	500,000,000	-	SBP rate for LTFF+ 1.00%	Nine equal semi annual instalments with grace period of eighteen months	-	Quarterly
	2,370,846,293	649,091,997				
Nishat Chunian Power Limited - Subsidiary Company (Note 7.7)						
Senior facility	7,391,872,851	8,547,497,996	3-month KIBOR + 3%	Twenty five quarterly instalments ending on 01 July 2020.	Quarterly	Quarterly
Term finance facility	1,779,845,385	2,056,652,712	3-month KIBOR + 3%	Twenty five quarterly instalments ending on 01 July 2020.	Quarterly	Quarterly
	9,171,718,236	10,604,150,708				
	15,043,669,529	15,669,274,111				

	LENDER	2016	2015	RATE OF PROFIT PER ANNUM	NUMBER OF INSTALMENTS	PROFIT REPRICING	PROFIT PAYABLE
		Rupees	Rupees				
7.2	**Long term musharaka**						
	Nishat (Chunian) Limited - Holding Company (Note 7.4)						
	Burj Bank Limited	-	35,000,000	6-month KIBOR + 1%	Sixteen equal quarterly instalments commenced on 30 September 2012 and ended on 30 June 2016.	Half Yearly	Quarterly
	Dubai Islamic Bank (Pakistan) Limited	160,000,000	240,000,000	6-month KIBOR + 0.75%	Ten equal half yearly instalments commenced on 29 September 2013 and ending on 29 March 2018.	Half Yearly	Half Yearly
		160,000,000	275,000,000				
	NC Electric Company Limited - Subsidiary Company (Note 7.9)						
	Dubai Islamic Bank Pakistan Limited	750,000,000	250,000,000	6 months KIBOR + 0.85%	Ten equal semi annual instalments with grace period of two years	Half yearly	Half yearly
	Al Baraka Bank (Pakistan) Limited	745,311,572	-	6 months KIBOR + 0.85%	Ten equal semi annual instalments with grace period of two years	Half yearly	Quarterly
		1,495,311,572	250,000,000				
		1,655,311,572	525,000,000				

7.3 Long term loans are secured by first joint pari passu hypothecation and equitable mortgage on all present and future fixed assets of the Holding Company to the extent of Rupees 8,874.53 million (2015: Rupees 8,874.53 million) and ranking charge on all present and future fixed assets of the Holding Company to the extent of Rupees 2,333.343 million (2015: Rupees Nil).

7.4 Long term musharaka are secured by first joint pari passu hypothecation and equitable mortgage on all present and future fixed assets of the Holding Company to the extent of Rupees 756.667 million (2015: Rupees 756.667 million).

7.5 Redeemable capital - privately placed term finance certificates have been fully repaid during the year. These were secured by first joint pari passu hypothecation and equitable mortgage on all present and future fixed assets of the Holding Company to the extent of Rupees 291.667 million (2015: Rupees 291.667 million). Formalities for satisfaction of charge are in process.

7.6 Long term loans from NIB Bank Limited and Habib Bank Limited are secured against first pari passu charge of Rupees 4,000 million over all present and future fixed assets of the NC Electric Company Limited - Subsidiary Company, cross corporate guarantee of Nishat (Chunian) Limited to NIB Bank Limited amounting to Rupees 1,500 million and cross corporate guarantee of Nishat (Chunian) Limited to Habib Bank Limited amounting to Rupees 4,400 million. Long term loan from Allied Bank Limited is secured against ranking charge of Rupees 667 million over all present and future fixed assets (including land and building) of the NC Electric Company Limited - Subsidiary Company, upgraded to first pari passu charge subsequent to the reporting date and cross corporate guarantee of Nishat (Chunian) Limited amounting to Rupees 500 million.

7.7 This represents long term financing obtained from a consortium of banks led by United Bank Limited (Agent Bank). The portion of long term financing from Faysal Bank Limited is on murabaha basis. The overall financing is secured against registered first joint parri passu charge on immovable property, mortgage of project receivables (excluding energy payment receivables), hypothecation of all present and future assets and all properties of Nishat Chunian Power Limited - Subsidiary Company (excluding working capital hypothecated property), lien over project bank accounts and pledge of shares held by the Holding Company in Nishat Chunian Power Limited - Subsidiary Company. It carries mark-up at the rate of three months Karachi Inter-Bank Offered Rate (KIBOR) plus three percent per annum, payable on quarterly basis. The mark-up rate charged during the year on the outstanding balance ranges from 10.01% to 9.35% (2015: 10.99% to 13.18%) per annum. As of 30 June 2016, the finance is repayable in seventeen quarterly instalments ending on 01 July 2020.

7.8 In accordance with the terms of agreement with the lenders of long term finances to Nishat Chunian Power Limited - Subsidiary Company, there are certain restrictions on the distribution of dividends by Nishat Chunian Power Limited - Subsidiary Company.

7.9 Long term musharaka from Dubai Islamic Bank Pakistan Limited is secured against first pari passu charge of Rupees 1,333 million over all present and future fixed assets (including land and building) of the NC Electric Company Limited - Subsidiary Company and cross corporate guarantee of Nishat (Chunian) Limited amounting to Rupees 1,000 million. Long term musharaka from Al Baraka Bank (Pakistan) Limited is secured against ranking charge of Rupees 1,250 million over all present and future fixed assets (including land and building) of the NC Electric Company Limited - Subsidiary Company, to be upgraded to first pari passu charge and cross corporate guarantee of Nishat (Chunian) Limited amounting to Rupees 1 billion.

7.10 Total facility amount of long term loans and long term musharaka of NC Electric Company Limited - Subsidiary Company amounts to Rupees 3.5 billion and Rupees 2 billion respectively. The effective mark-up rate charged during the year on the outstanding balance ranged from 4.00% to 8.99% (2015: 7.88% to 9%) per annum. Out of the aggregate facilities of Rupees 5,549 million (2015: Rupees 5,207.04 million) for opening letters of credit, the amount utilised (including cancelled letter of credit) at 30 June 2016 was Rupees 4,361 million (2015: Rupees 2,623 million). The aggregate facilities for opening letters of credit are secured by first pari passu charge on the present and future fixed assets of the NC Electric Company Limited - Subsidiary Company and cross corporate guarantee of Nishat (Chunian) Limited amounting to Rupees 5.3 billion. In accordance with the terms of agreement with the lenders of long term finances, there are certain restrictions on the distribution of dividends by the NC Electric Company Limited - Subsidiary Company.

8. TRADE AND OTHER PAYABLES

	2016 Rupees	2015 Rupees
Creditors (Note 8.1)	1,077,195,719	726,301,842
Accrued liabilities	780,885,797	780,285,567
Advances from customers	69,011,424	28,252,171
Securities from contractors - interest free and repayable on completion of contracts	3,960,588	3,658,533
Retention money	6,179,153	7,121,026
Income tax deducted at source	22,060,369	24,459,879
Unclaimed dividend	40,307,856	40,347,711
Workers' profit participation fund (Note 8.2)	223,055,321	214,859,978
Workers' welfare fund	21,681,803	21,681,803
Dividend payable to non-controlling interests	314,581,957	-
Others	34,460,885	32,770,125
	2,593,380,872	1,879,738,635

8.1 It includes Rupees 3.025 million (2015: Rupees 2.406 million) due to a related party.

8.2 Workers' profit participation fund

	2016	2015
Balance as at 01 July	214,859,978	194,001,650
Add: Interest for the year (Note 29)	6,602,743	3,174,627
Add: Allocation for the year	223,055,321	214,859,978
	444,518,042	412,036,255
Less: Payments during the year	221,462,721	197,176,277
Balance as at 30 June	223,055,321	214,859,978

8.2.1 The Holding Company retains workers' profit participation funds for their business operations till the date of allocation to workers. Interest is paid at prescribed rate under the Companies Profit (Workers' Participation) Act, 1968 on funds utilized by the Holding Company till the date of allocation to workers.

9. ACCRUED MARK-UP

	2016 Rupees	2015 Rupees
Long term financing	294,592,334	357,511,699
Redeemable capital	-	7,926
Short term borrowings	164,213,370	168,254,308
	458,805,704	525,773,933

10. SHORT TERM BORROWINGS

	2016 Rupees	2015 Rupees
From banking companies - secured		
Nishat (Chunian) Limited - Holding Company		
Short term running finances (Notes 10.1 and 10.2)	2,127,918,129	1,009,619,118
Export finances - Preshipment / SBP refinance (Notes 10.1 and 10.3)	5,222,164,393	7,317,491,849
Other short term finances (Notes 10.1 and 10.4)	4,770,000,000	2,490,000,000
Nishat Chunian USA Inc. - Subsidiary Company		
Revolving credit line (Note 10.5)	239,857,805	142,581,403
Nishat Chunian Power Limited - Subsidiary Company		
Short term running finances (Note 10.6)	306,442,353	176,701,395
Money market loans (Note 10.7)	3,250,000,000	2,600,000,000
Murabaha facilities (Note 10.8)	544,182,895	2,565,018,338
	16,460,565,575	16,301,412,103

10.1 These finances are obtained from banking companies under mark-up arrangements and are secured by hypothecation of all present and future current assets of the Holding Company and lien on export bills to the extent of Rupees 25,462 million (2015: Rupees 23,864 million) and ranking charge on all present and future current assets of the Holding Company to the extent of Rupees 534 million (2015: Rupees 2,600 million). These form part of total credit facilities of Rupees 19,065 million (2015: Rupees 18,815 million).

10.2 The rates of mark-up range from 6.60% to 8.74% (2015: 7.31% to 9.45%) per annum on the balance outstanding.

10.3 The rates of mark-up on Pak Rupee finances and US Dollar finances range from 2.95% to 6.46% (2015: 5.50% to 7.25%) per annum and 1.15% to 1.45% (2015: 1.90% to 3.33%) per annum respectively on the balance outstanding.

10.4 The rates of mark-up range from 6.27% to 6.61% (2015: 7.13% to 8.38%) per annum on the balance outstanding.

10.5 Nishat Chunian USA Inc. - Subsidiary Company has a revolving credit pursuant to which it may borrow up to US Dollars 2,500,000 (Rupees 261.250 million) subject to borrowing base availability, bearing interest at prime plus 0.25% (3.7% at 30 June 2016). The borrowings base equals to 75% of the aggregate amount of all qualified accounts receivable, as defined. This note is collateralized by as first security interest in substantially all assets of the Nishat Chunian USA Inc. - Subsidiary Company and is guaranteed by the Holding Company.

10.6 Running finance main facilities available from commercial banks under mark-up arrangements amount to Rupees 5,950 million (2015: Rupees 6,250 million). Running finance facilities are available at mark-up rates ranging from one month to three months KIBOR plus 0.5% to 2% per annum, payable monthly/quarterly, on the balance outstanding. Running finance facilities are secured against first joint pari passu hypothecation charge on the present and future current assets of Nishat Chunian Power Limited - Subsidiary Company comprising of fuel stocks, inventories and energy price payment receivables from NTDC. The mark-up rate charged during the year on the outstanding balance ranges from 6.85% to 9.01% (2015: 7.73% to 12.21%) per annum.

10.7 Money market loans are available to Nishat Chunian Power Limited - Subsidiary Company as a sub-facility to the running finance facility. Such facilities amount to Rupees 4,250 million (2015: Rupees 4,250 million) and are available at mark-up rates ranging from one month to six months KIBOR plus 0.10% to 0.35% per annum. Money market loans are secured against first joint pari passu hypothecation charge on the present and future current assets of Nishat Chunian Power Limited - Subsidiary Company comprising of fuel stocks, inventories and energy price payment receivables from NTDC. The mark-up rate charged during the year on the outstanding balance ranges from 6.15% to 7.33% (2015: 7.06% to 10.85%) per annum.

10.8 Murabaha and musharka main facilities available from commercial banks aggregate Rupees 4,500 million (2015: Rupees 4,184.92 million) at mark-up rates ranging from one month to six months KIBOR plus 0.1% to 2% per annum. The amount utilised as at 30 June 2016, for murabaha facilities was Rupees Nil (2015: Rupees 2,390.20 million) and for musharka was Rupees 544.18 million (2015: Rupees 174.82 million). Mark-up on murabaha is payable at the maturity of the respective murabaha transaction. Whereas, the mark-up on musharka is payable monthly on the balance outstanding. The facilities are secured against first joint pari passu hypothecation charge on the present and future current assets of Nishat Chunian Power Limited - Subsidiary Company comprising of fuel stocks, inventories and energy price payment receivables from NTDC. The mark-up rate charged during the year on the outstanding balance ranges from 6.50% to 9.01% (2015: 7.08% to 11.42%) per annum.

10.9 The main facilities for opening letters of credit and guarantees aggregate Rupees 1,556.03 million (2015: Rupees 1,347.03 million). The amount utilised at 30 June 2016, for letters of credit was Rupees 61.16 million (2015: Rupees 66.87 million) and for guarantees was Rupees 9.03 million (2015: Rupees 72.11 million). The aggregate facilities for opening letters of credit and guarantees are secured by ranking charge on the present and future current assets comprising of fuel stocks, inventories and energy price payment receivables from NTDC, counter guarantee, cash margin and lien over import documents.

	2016 Rupees	2015 Rupees
11. CURRENT PORTION OF NON-CURRENT LIABILITIES		
Long term financing (Note 7)	3,321,242,615	3,217,563,130
Redeemable capital (Note 7.5)	-	31,250,000
	3,321,242,615	3,248,813,130

12. CONTINGENCIES AND COMMITMENTS

12.1 Contingencies

12.1.1 The Holding Company preferred appeal against the Government of Punjab in the Honourable Lahore High Court, Lahore against imposition of electricity duty on internal generation and the writ petition has been accepted. However, Government of Punjab has moved to the Honourable Supreme Court of Pakistan against the order of Honourable Lahore High Court, Lahore. The Holding Company has fully provided its liability in respect of electricity duty on internal generation. As at the reporting date, an amount of Rupees 54.941 million (2015: Rupees 45.401 million) is payable on this account but the management of the Holding Company is confident that payment of electricity duty will not be required.

12.1.2 The Collectorate of Customs (Export) has issued show cause notices with the intention to reject the duty draw back claims aggregating to Rupees 9.482 million on blended grey fabrics exported under Duty and Tax Remission Rules for Export (DTRE) scheme. The department is of the view that the Holding Company has not submitted Appendix-1 as per Rule 297-A of the above referred scheme. The Holding Company considers that since it has taken benefit of remission of sales tax only, it is entitled to full duty draw back and filed appeal before Appellate Tribunal Inland Revenue (ATIR), Karachi Bench which was decided against the Holding Company. The Holding Company also applied to Federal Board of Revenue (FBR) to constitute Alternate Dispute Resolution Committee (ADRC) in terms of section 195C of the Customs Act, 1969 to settle the dispute. ADRC vide its order dated 16 April 2008 has recommended the case in favour of the Holding Company and forwarded the case to FBR. However, FBR has not accepted the recommendations of ADRC. The Holding Company has now filed appeal before the Honourable High Court of Sindh against the order of ATIR, where the case is pending.

12.1.3 The Holding Company impugned selection of its tax affairs for audit in terms of section 177 of the Income Tax Ordinance, 2001 for tax year 2009 in Honourable Lahore High Court, Lahore through writ petition. After dismissal of writ petition by the Honourable Lahore High Court, Lahore, the Tax Department has completed the audit of tax year 2009 of income tax affairs of the Holding Company and Deputy Commissioner Inland Revenue (DCIR) has passed an order under sections 122(1)/122(5) creating a tax demand of Rupees 6.773 million. The Holding Company has filed appeal before Commissioner Inland Revenue (Appeals) [CIR(A)] against the decision of DCIR which is pending adjudication. No provision against this demand has been in these consolidated financial statements as the Holding Company is hopeful of a favourable outcome of appeal based on the opinion of the tax advisor.

12.1.4 As a result of withholding tax audit of the Holding Company for the tax year 2006, DCIR has raised a demand of Rupees 32.156 million under sections 161 and 205 of the Income Tax Ordinance, 2001. The Holding Company is in appeal before ATIR as its appeal before Commissioner Inland Revenue (Appeals) [CIR(A)] was unsuccessful. The Holding Company expects a favourable outcome of the appeal based on advice of the tax counsel. The Holding Company also challenged the initiation of proceedings, under section 161 and 205 of the Income Tax Ordinance, 2001 pertaining to tax years 2007, 2008, 2009, 2010, 2011 and 2012 in the Honourable Lahore High Court, Lahore through a writ petition. The Honourable Lahore High Court, Lahore has directed the Tax Department to issue notice for reconciliation and in case default is established only then action under section 205 of the Income Tax Ordinance, 2001 can be taken. The Holding Company also filed intra court appeals to the Honourable Lahore High Court, Lahore, which were dismissed. The management of the Holding Company believes that the expected favourable outcome of its appeal before ATIR, in respect of tax year 2006 on same issues, will dispose of the initiation of these proceedings.

12.1.5 The Holding Company is in appeal before ATIR as its appeal before CIR(A) against the order of Additional Commissioner Inland Revenue (ACIR) was unsuccessful. ACIR has passed an order under section 122(5A) of the Income Tax Ordinance, 2001 for tax year 2011 whereby a demand of Rupees 6.822 million has been raised. No provision against the demand has been made in these consolidated financial statements as the Holding Company is hopeful of a favourable outcome of appeal based on opinion of the tax advisor.

12.1.6 The Deputy Collector (Refund – Gold) by order dated 16 May 2007 rejected the input tax claim of the Holding Company, for the month of June 2005, amounting to Rupees 1.604 million incurred in zero rated local supplies of textile and articles thereof on the grounds that the input tax claim is in contravention of SRO 992(I)/2005 which states that no registered person engaged in the export of specified goods (including textile and articles thereof) shall, either through zero-rating or otherwise, be entitled to deduct or reclaim input tax paid in respect of stocks of such goods acquired up to 05 June 2005, if not used for the purpose of exports made up to the 31 December 2005. The appeal of the Holding Company before ATIR was successful and input tax claim of the Holding Company is expected to be processed after necessary verification in this regard. Pending the outcome of verification no provision for inadmissible input tax has been recognized in these consolidated financial statements.

12.1.7 The Holding Company is in appeal before CIR(A) against the order of ACIR. The ACIR has passed an order under section 122(5A) of the Income Tax Ordinance, 2001 for tax year 2013 whereby a demand of Rupees 27.845 million has been raised. No provision against this demand has been in these consolidated financial statements as the Holding Company is hopeful for a favourable outcome of appeal based on the opinion of the tax advisor.

12.1.8 The Holding Company filed appeal before CIR(A) against the order of ACIR. ACIR passed an order under section 122(5A) of the Income Tax Ordinance, 2001 for tax year 2012 whereby a demand of Rupees 125.162 million has been raised. CIR(A) vide order dated 29 June 2016 has deleted some of the additions made by ACIR. Being aggrieved by the order of CIR(A), the Holding Company as well as the tax department have preferred appeals before the ATIR which are pending adjudication. No provision against this demand has been in these consolidated financial statements as the Holding Company is hopeful for a favourable outcome of appeal based on the opinion of the tax advisor.

12.1.9 The Holding Company impugned selection of its tax affairs for audit in terms of section 214C of the Income Tax Ordinance, 2001 for tax year 2013. The matter was raised before the Member Inland Revenue - Taxpayers Audit for exclusion of the Holding Company's name from list of cases selected for audit. The application before Member Inland Revenue was dismissed. Subsequently, the Holding Company got stay from Honorable Lahore High Court, Lahore.

12.1.10 The Deputy Commissioner Inland Revenue passed an order under sections 161/205 of the Income Tax Ordinance, 2001 creating a demand of Rupees 19.073 million for the tax year 2014. The Holding Company preferred an appeal against this order before CIR (A). The CIR (A) adjudicated that impugned order is unsustainable and remanded back the matter to taxation officer for consideration of legal grounds and merits of the case. The Holding Company has also filed an appeal before ATIR against the order of CIR (A). The proceedings before both forums are pending for adjudication. No provision against this demand has been made in these consolidated financial statements as the Holding Company is confident of favorable outcome of its appeals.

12.1.11 Through show cause notice, the Collector of Customs, Karachi raised demand of Rupees 23.585 million on the grounds that the Holding Company was not entitled for exemption of sales tax and facility of reduced rate of income tax on 13 consignments of cotton imported during the period from April 2013 to April 2014. The vires of show cause notice were challenged in Honorable Sindh High Court at Karachi from where stay was granted with the direction to the Collector that he will not pass final order pursuant to the impugned show cause notice particularly in respect of advance income tax till next date of hearing. In spite of the categorical orders of the Honorable High Court, the Collector passed order, creating the demand of the aforesaid amount. Appeal against the said order has been filed in Appellate Tribunal Inland Revenue, Karachi but has not been decided. There is sufficient case law on the subject and there is every likelihood that the case will be decided in favour of the Holding Company.

12.1.12 The Holding Company is contesting sales tax demands / rejections of sales tax by taxation authorities amounting to Rupees 89.605 million at various forums. These demands have been raised on account of various issues, like refund of sales tax on purchases of furnace oil and diesel, non-provision of documents against certain refund processing system objections and supplies made to certain parties. No provision against the aforesaid demands has been made in these consolidated financial statements as the management is confident of favourable outcome of its appeals based on advice of the legal counsel. Further, audit of sales tax records of the Holding Company for the financial year ended 30 June 2014 is in progress and the Holding Company has submitted record to the tax department as per directions of the Honorable Lahore High Court, Lahore. The Honorable High Court has directed the tax department not to pass final order.

12.1.13 ACIR through an order under section 161/205 of the Income Tax Ordinance, 2001 created a demand of Rs 147.745 million for tax year 2012 on account of alleged non-deduction of income tax on payments against the heads commission to selling agents on exports and export marketing expenses. Being aggrieved, the Holding Company filed an appeal before CIR(A), who vide order dated 09 June 2016 accepted the stance of the Holding Company and deleted the demand related to commission to selling agents on exports, whereas, with respect to export marketing expenses, CIR(A) remanded back the case to ACIR. However, the Holding Company has filed appeal before ATIR which is pending for fixation. Based on grounds and facts, the appeal is likely to be decided in favour of the Holding Company.

12.1.14 Guarantees of Rupees 347.051 million (2015: Rupees 322.130 million) have been issued by the banks of the Holding Company to Sui Northern Gas Pipelines Limited against gas connections, Shell Pakistan Limited against purchase of furnace oil and Lahore Electric Supply Company Limited against electricity connection.

12.1.15 Guarantees of Rupees 156 million (2015: Rupees 116 million) have been issued by the banks of the Holding Company to Director, Excise and Taxation, Karachi against disputed amount of infrastructure cess.

12.1.16 Post dated cheques have been issued by the Holding Company to custom authorities in respect of duties amounting to Rupees 1,893.971 million (2015: Rupees 584.887 million) on imported material availed on the basis of consumption and export plans. In the event the documents of exports are not provided on due dates, cheque issued as security shall be encashable.

12.1.17 The Holding Company has issued cross corporate guarantees of Rupees 13.7 billion (2015: Rupees 7.7 billion) on behalf of NC Electric Company Limited - Subsidiary Company to secure the obligations of Subsidiary Company towards its lenders.

12.1.18 During the financial year 2014, a sales tax demand of Rupees 1,161.548 million was raised against Nishat Chunian Power Limited - Subsidiary Company through order dated 28 November 2013, by the Assistant Commissioner Inland Revenue ('ACIR') by disallowing input sales tax for the tax periods from July 2010 to June 2012. Such amount was disallowed on the grounds that the revenue derived by Nishat Chunian Power Limited - Subsidiary Company on account of 'capacity purchase price' was against a non-taxable supply and thus, the entire amount of input sales tax claimed by Nishat Chunian Power Limited - Subsidiary Company was required to be apportioned with only the input sales tax attributable to other revenue stream i.e. 'energy purchase price' admissible to Nishat Chunian Power Limited - Subsidiary Company. Against the aforesaid order, Nishat Chunian Power Limited - Subsidiary Company preferred an appeal before the Commissioner Inland Revenue (Appeals) ('CIR(A)') who vacated the ACIR's order on the issue regarding apportionment of input sales tax. However, the CIR(A) did not adjudicate upon Nishat Chunian Power Limited - Subsidiary Company's other grounds of appeal. Consequently, Nishat Chunian Power Limited - Subsidiary Company preferred an appeal before the Appellate Tribunal Inland Revenue ('ATIR') on the issues not adjudicated upon by the CIR(A) and the Department also preferred a second appeal before the ATIR against the CIR(A)'s order, which are both pending adjudication.

Furthermore, during the financial year 2015, the Deputy Commissioner Inland Revenue ('DCIR') issued a show cause notice dated 11 November 2014, whereby intentions were shown to raise a sales tax demand of Rupees 1,093.262 million by disallowing input sales tax claimed by Nishat Chunian Power Limited - Subsidiary Company for the tax periods from July 2010 to June 2012 on the abovementioned grounds of the ACIR. Aggrieved by this show cause notice, Nishat Chunian Power Limited - Subsidiary Company filed a writ petition before the Lahore High Court ('LHC'), whereby the LHC through its latest order dated 23 July 2015, has provided interim relief to Nishat Chunian Power Limited - Subsidiary Company to the extent that no final order shall be passed by the DCIR until the next hearing.

For the period July 2013 to June 2014, Subsidiary Company's case was selected for audit by 'Federal Board of Revenue' ('FBR'), which selection was objected to, on jurisdictional basis, by Subsidiary Company by way of filing a writ petition before LHC. While, LHC has allowed the department to proceed with audit proceedings, it has been directed that no adjudication order, consequent to conduct of audit, shall be passed after confronting the audit report. The audit proceedings were completed by the department during the year and report thereof has been submitted to Nishat Chunian Power Limited - Subsidiary Company seeking explanations in regard to the issues raised therein. In the subject audit report, inter-alia, primarily a disallowance of input sales tax aggregating to Rupees 622.263 million has been confronted on same grounds as explained above. Based on the advice of Nishat Chunian Power Limited - Subsidiary Company's legal counsel, management considers that there exist meritorious grounds to support Nishat Chunian Power Limited - Subsidiary Company's stance that input sales tax incurred by Nishat Chunian Power Limited - Subsidiary Company is not legally required to be attributed to revenue representing 'capacity purchase price' and thus disallowance proposed by department would not be upheld by appellate authorities/courts. Consequently, no provision has been made in these consolidated financial statements on such account.

12.1.17 Guarantees of Rupees 10.5 million (2015: Rupees 3.5 million) have been issued by Dubai Islamic Bank Pakistan Limited on behalf of NC Electric Company Limited - Subsidiary Company in favour of Director, Excise and Taxation, Karachi against disputed amounts of infrastructure cess.

12.1.18 The followings have been issued by the banks on behalf of Nishat Chunian Power Limited - Subsidiary Company:

(a) Irrevocable standby letter of credit in favour of Wartsila Pakistan (Private) Limited for Rupees Nil (2015: Rupees 45.000 million)

(b) Letter of guarantee of Rupees 9.032 million (2015: Rupees 7.032 million) in favour of Director, Excise and Taxation, Karachi under direction of Sindh High Court in respect of suit filed for levy of

(c) Letter of guarantee of Rupees Nil (2015: Rupees 65.076 million) in favour of Punjab Power Development Board, Energy Department, Government of the Punjab, Lahore, in respect of issuance of Letter of Interest to Nishat Chunian Power Limited - Subsidiary Company to set up a 660 MW Imported Coal Fired Power Plant in Jhang, Punjab.

12.2 Commitments

12.2.1 Contracts for capital expenditure amounting to Rupees 2,525.373 million (2015: Rupees 4,156.082 million).

12.2.2 Letters of credit other than for capital expenditure amounting to Rupees 825.910 million (2015: Rupees 469.054 million).

12.2.3 Outstanding foreign currency forward contracts of Rupees 4,109.245 million (2015: Rupees 3,689.586)

	2016 Rupees	2015 Rupees
13. FIXED ASSETS		
Property, plant and equipment:		
Operating fixed assets (Note 13.1)	22,224,947,838	22,406,261,150
Capital work-in-progress (Note 13.2)	5,029,074,918	1,961,221,228
Major spare parts and standby equipment	162,636,138	-
	27,416,658,894	24,367,482,378
Intangible asset:		
Computer software (Note 13.1)	7,819,748	6,230,445
	27,424,478,642	24,373,712,823

13.1 Reconciliations of carrying amounts of operating fixed assets and intangible asset at the beginning and at the end of the year are as follows:

Description	Operating fixed assets										Intangible asset
	Freehold land	Buildings on freehold land	Plant and machinery	Standby equipment	Electric installations	Factory equipment	Furniture, fixture and equipment	Office equipment	Motor vehicles	Total	Computer software
	---------- Rupees ----------										
At 30 June 2014											
Cost	761,500,183	2,590,935,344	28,848,468,343	33,198,206	439,901,588	209,266,645	74,168,166	84,777,453	202,105,194	33,244,321,122	17,634,614
Accumulated depreciation / amortization	-	(919,641,298)	(9,202,931,280)	(19,548,671)	(140,301,473)	(97,315,039)	(36,796,695)	(36,196,145)	(86,482,173)	(10,539,212,774)	(8,051,580)
Net book value	761,500,183	1,671,294,046	19,645,537,063	13,649,535	299,600,115	111,951,606	37,371,471	48,581,308	115,623,021	22,705,108,348	9,583,034
Year ended 30 June 2015											
Opening net book value	761,500,183	1,671,294,046	19,645,537,063	13,649,535	299,600,115	111,951,606	37,371,471	48,581,308	115,623,021	22,705,108,348	9,583,034
Additions	126,473,066	519,227,172	760,041,431	-	128,964,682	31,162,332	14,186,549	11,337,164	41,840,330	1,633,232,726	-
Disposals:											
Cost	-	-	(168,590,081)	-	-	-	(201,036)	(6,312,193)	(39,024,386)	(214,127,696)	-
Accumulated depreciation	-	-	158,421,171	-	-	-	108,848	2,914,276	24,248,665	185,692,960	-
	-	-	(10,168,910)	-	-	-	(92,188)	(3,397,917)	(14,775,721)	(28,434,736)	-
Depreciation / amortization charge	-	(97,752,302)	(1,710,376,465)	(1,319,755)	(40,174,522)	(13,342,971)	(6,414,179)	(7,892,320)	(26,372,674)	(1,903,645,188)	(3,352,589)
Closing net book value	887,973,249	2,092,768,916	18,685,033,119	12,329,780	388,390,275	129,770,967	45,051,653	48,628,235	116,314,956	22,406,261,150	6,230,445
At 30 June 2015											
Cost	887,973,249	3,110,162,516	29,439,919,693	33,198,206	568,866,270	240,428,977	88,153,679	89,802,424	204,921,138	34,663,426,152	17,634,614
Accumulated depreciation / amortization	-	(1,017,393,600)	(10,754,886,574)	(20,868,426)	(180,475,995)	(110,658,010)	(43,102,026)	(41,174,189)	(88,606,182)	(12,257,165,002)	(11,404,169)
Net book value	887,973,249	2,092,768,916	18,685,033,119	12,329,780	388,390,275	129,770,967	45,051,653	48,628,235	116,314,956	22,406,261,150	6,230,445
Year ended 30 June 2016											
Opening net book value	887,973,249	2,092,768,916	18,685,033,119	12,329,780	388,390,275	129,770,967	45,051,653	48,628,235	116,314,956	22,406,261,150	6,230,445
Additions	-	155,772,470	1,575,276,824	-	28,212,147	2,235,208	3,196,573	43,851,012	42,371,867	1,850,916,101	5,991,800
Disposals:											
Cost	-	-	(506,976,201)	-	-	-	-	(1,092,339)	(33,033,508)	(541,102,048)	-
Accumulated depreciation	-	-	460,772,190	-	-	-	-	672,724	22,668,651	484,113,565	-
	-	-	(46,204,011)	-	-	-	-	(419,615)	(10,364,857)	(56,988,483)	-
Depreciation / amortization charge	-	(110,116,757)	(1,754,796,440)	(1,187,780)	(39,901,650)	(13,111,891)	(5,721,456)	(12,109,728)	(28,569,492)	(1,965,515,194)	(4,402,497)
Impairment loss	-	-	(9,725,736)	-	-	-	-	-	-	(9,725,736)	-
Closing net book value	887,973,249	2,138,424,629	18,449,583,756	11,142,000	376,700,772	118,894,284	42,526,770	79,949,904	119,752,474	22,224,947,838	7,819,748
At 30 June 2016											
Cost	887,973,249	3,265,934,986	30,508,220,316	33,198,206	597,078,417	242,664,185	91,350,252	132,561,097	214,259,497	35,973,240,205	23,626,414
Accumulated depreciation / amortization	-	(1,127,510,357)	(12,048,910,824)	(22,056,206)	(220,377,645)	(123,769,901)	(48,823,482)	(52,611,193)	(94,507,023)	(13,738,566,631)	(15,806,666)
Accumulated impairment loss	-	-	(9,725,736)	-	-	-	-	-	-	(9,725,736)	-
Net book value	887,973,249	2,138,424,629	18,449,583,756	11,142,000	376,700,772	118,894,284	42,526,770	79,949,904	119,752,474	22,224,947,838	7,819,748
Annual rate of depreciation / amortization (%)		4 - 10	4 - 10 and number of hours used	10	10	10	10	10 - 33	20		20 - 30

13.1.1 Detail of operating fixed assets, exceeding the book value of Rupees 50,000, disposed of during the year is as follows:

Description	Qty	Cost	Accumulated depreciation	Net book value	Sale proceeds	Gain / (loss)	Mode of disposal	Particulars of purchasers
		Rupees						
Plant and machinery								
Alternator	1	8,447,587	(5,611,512)	2,836,075	11,863,000	9,026,925	Insurance claim	Adamjee Insurance Company Limited - associated company
Comber	6	16,232,275	(14,671,417)	1,560,858	91,812	(1,469,046)	Negotiation	Usay Trading Company, Faisalabad
Multi Mixer Machinery	1	3,975,500	(587,030)	3,388,470	3,300,000	(88,470)	Negotiation	Fanz Spinning Mills, Kasur
Carding Machine	5	4,107,408	(636,640)	3,470,768	575,000	(2,895,768)	Negotiation	J. A. Textile Mills Limited, Faisalabad
Automatic Bale Plucker	1	2,534,754	(411,493)	2,123,261	1,300,000	(823,261)	Negotiation	Fanz Spinning Mills, Kasur
Carding Machine	9	6,984,093	(1,035,971)	5,948,122	1,583,000	(4,365,122)	Negotiation	Salman Noman Enterprises Limited, Lahore
Ring Frame	1	829,406	(140,736)	688,670	600,000	(88,670)	Negotiation	Dynamic Spinning Mills (Private) Limited, Bhai Phero
Toyota Jat-710 340 cm	24	77,443,200	(52,990,726)	24,452,474	28,199,999	3,747,525	Negotiation	Fatima Enterprises Limited, Multan
Chiller Plant	4	8,805,000	(7,069,687)	1,735,313	3,333,333	1,598,020	Negotiation	Haleeb Foods Limited, Lahore
Assets written off	2,807	377,616,978	(377,616,978)	-	-	-	Write off	
Office equipment								
HP Envy Laptop	1	72,556	(6,560)	65,996	30,000	(35,996)	Group's policy	Mr. Abdul Rehman (Ex-employee), Lahore
Lenovo ThinkPad X1	1	200,418	(200,418)	-	35,000	35,000	Group's policy	Ms. Najia Butt (employee), Lahore
Apple iPhone 5s	1	88,900	(46,673)	42,227	14,999	(27,228)	Negotiation	Ms. Hira Jabeen, Lahore
Motor vehicles								
Porsche (Jeep) LWC-467	1	10,357,856	(8,885,759)	1,472,097	3,500,000	2,027,903	Negotiation	Mr. Muhammad Adil, Lahore
Suzuki Mehran LEF-07-7046	1	425,000	(273,195)	151,805	405,000	253,195	Group's policy	Mr. Waseem Jamal (employee), Lahore
Honda City LEA-13-2539	1	1,759,000	(870,431)	888,569	1,759,000	870,431	Group's policy	Mr. Taha Baig (Ex-employee), Lahore
Toyota Vitz LED-11-6368	1	1,250,000	(424,597)	825,403	1,250,000	424,597	Group's policy	Mr. Ali Ghafoor (Ex-employee), Lahore
Honda Life LEA-14-3150	1	1,000,000	(316,403)	683,597	1,000,000	316,403	Group's policy	Mr. Hassan Askaree (Ex-employee), Lahore
APV Van LWO-8945	1	1,061,572	(888,927)	172,645	1,217,000	1,044,355	Negotiation	Mr. Mian Muhammad Farooq, Multan
Suzuki Cultus LEB-10-6642	1	864,550	(599,738)	264,812	632,500	367,688	Negotiation	Mr. Muhammad Asghar, Lahore
Suzuki Cultus LEC-10-7431	1	880,314	(598,266)	282,048	520,000	237,952	Negotiation	Mr. Umar Farooque Malik, Lahore
Suzuki Bolan LEF-08-1328	1	472,180	(362,012)	110,168	366,000	255,832	Negotiation	Mr. Sohail Iqbal, Lahore
Suzuki Cultus LED-10-7430	1	911,560	(610,101)	301,459	635,000	333,541	Negotiation	Mr. Shahid Aziz Alvi, Faisalabad
Suzuki Cultus LED-10-7433	1	911,560	(589,213)	322,347	550,000	227,653	Negotiation	Mr. Muhammad Afzal Javed, Lahore
Suzuki Cultus LEC-12-2601	1	968,000	(518,344)	449,656	800,000	350,344	Negotiation	Mr. Shiekh Khushi Muhammad, Lahore
Suzuki Swift LE-12-9369	1	1,156,000	(660,872)	495,128	568,568	73,440	Group's policy	Mr. Hafiz Jamshed (employee), Lahore
Hyundai Shehzore LES-10-8562	1	1,209,940	(795,811)	414,129	1,350,000	935,871	Negotiation	Mr. Mian Muhammad Farooq, Multan
Honda Civic LE-11-9308	1	1,702,020	(1,130,136)	571,884	930,000	358,116	Negotiation	Mr. Naveed Hassan, Lahore
Honda City LED-11-6645	1	1,567,435	(998,979)	568,456	1,039,678	471,222	Group's policy	Mr. Jamal Ud Din (employee), Lahore
Toyota Corolla LEC-10-7438	1	1,751,638	(1,172,549)	579,089	1,250,000	670,911	Negotiation	Mr. Mohsin Mumtaz, Lahore
Toyota Corolla LEF-15-8093	1	1,845,000	(123,000)	1,722,000	1,845,000	123,000	Group's policy	Ms. Najia Butt (employee), Lahore
Honda Civic LEB-09-5596	1	1,922,500	(1,922,500)	-	1,337,500	1,337,500	Negotiation	Mr. Umar Farooq, Lahore
Suzuki Cultus LED-11-9810	1	961,643	(881,506)	80,137	640,200	560,063	Negotiation	Mr. Muhammad Afzal Javed, Lahore
Aggregate of other items of operating fixed assets with individual book values not exceeding Rupees 50,000	181	786,205	(465,385)	320,820	132,019	(188,801)		
		541,102,048	(484,113,565)	56,988,483	72,653,608	15,665,125		

	2016 Rupees	2015 Rupees
13.1.2 The depreciation charge for the year has been allocated as follows:		
Cost of sales (Note 24)	1,942,680,167	1,880,873,203
Administrative expenses (Note 26)	22,148,013	22,552,621
Capital work-in-progress	687,014	219,364
	1,965,515,194	1,903,645,188

13.1.3 Amortization on intangible assets amounting to Rupees 4.402 million (2015: Rupees 3.353 million) has been allocated to administrative expenses.

13.2 Capital work-in-progress

	2016 Rupees	2015 Rupees
Civil works on freehold land	1,290,418,511	344,628,838
Plant and machinery	3,235,571,638	1,379,719,823
Mobilization advance	12,287,452	9,774,749
Letters of credit	69,032,535	19,664,691
Stores held for capital expenditure	18,805,216	1,615,670
Advances for capital expenditure	55,436,292	149,235,836
Unallocated expenditures (Note 13.3 and Note 13.4)	347,523,274	56,581,621
	5,029,074,918	1,961,221,228

13.3 NC Electric Company Limited - Subsidiary Company has capitalized borrowings cost amounting to Rupees 180.193 million (2015: Rupees 10.219 million) using the capitalization rate ranged from 4.00% to 8.99% (2015: 7.88% to 9.00%) per annum during the year.

13.4 This includes provident fund contribution of Rupees 1.019 million (2015: Rupees 0.275 million) by the NC Electric Company Limited - Subsidiary Company.

	2016 Rupees	2015 Rupees
14. LONG TERM LOANS TO EMPLOYEES		
Considered good:		
Executives (Notes 14.1 and 14.2)	26,866,623	18,513,103
Other employees (Note 14.2)	317,768	350,432
	27,184,391	18,863,535
Less: Current portion shown under current assets (Note 18)		
Executives	2,653,621	2,058,782
Other employees	317,768	344,980
	2,971,389	2,403,762
	24,213,002	16,459,773
14.1 Reconciliation of carrying amount of loans to executives:		
Balance as at 01 July	18,513,103	5,690,187
Add: Disbursements	14,112,047	17,140,498
Less: Repayments	5,758,527	4,317,582
Balance as at 30 June	26,866,623	18,513,103

14.1.1 Maximum aggregate balance due from executives at the end of any month during the year was Rupees 27.914 million (2015: Rupees 19.038 million).

14.2 These represent motor vehicle loans and house building loans to executives and employees, payable in 24 to 48, 96 and 120 monthly instalments respectively. Interest on long term loans ranged from 3.3% to 10.66% (2015: 4.63% to 14.50%) per annum while some loans are interest free. Motor vehicle loans are secured against registration of motor vehicles in the name of the respective Group Company, whereas house building loans are secured against balance standing to the credit of employee in the provident fund trust account.

14.3 The fair value adjustment in accordance with the requirements of IAS 39 'Financial Instruments: Recognition and Measurement' arising in respect of staff loans is not considered material and hence not recognized.

	2016 Rupees	2015 Rupees
15. STORES, SPARE PARTS AND LOOSE TOOLS		
Stores (Note 15.1)	1,121,589,591	1,288,053,965
Spare parts	295,566,465	235,773,966
Loose tools	52,951,507	36,243,864
	1,470,107,563	1,560,071,795

15.1 Most of the items of stores and spares of Nishat Chunian Power Limited - Subsidiary Company are of interchangeable nature and can be used as machine spares or consumed as stores. Accordingly, it is not practicable to distinguish stores from spares until their actual usage. Moreover, stores and spares include items which may result in fixed capital expenditure but are not distinguishable.

16. STOCK-IN-TRADE	2016 Rupees	2015 Rupees
Raw materials	6,091,610,990	5,639,691,907
Work-in-process	664,745,190	440,237,780
Finished goods	1,200,198,744	1,287,068,930
Waste	45,165,814	33,960,725
	8,001,720,738	7,400,959,342

16.1 Stock-in-trade of Rupees 95.321 million (2015: Rupees 129.844 million) is being carried at net realizable value.

16.2 The aggregate amount of write-down of inventories to net realizable value recognized as an expense during the year was Rupees Nil (2015: Rupees 7.088 million)

17. TRADE DEBTS	2016 Rupees	2015 Rupees
Considered good:		
Secured (Notes 17.3 and 17.4)		
- Others	10,968,252,404	11,843,749,571
Unsecured		
- Nishat Mills Limited - related party	55,834,953	31,438,565
- Others	197,082,756	627,234,702
	252,917,709	658,673,267
	11,221,170,113	12,502,422,838

17.1 As at 30 June 2016, trade debts of Rupees 3,054.336 million (2015: Rupees 5,389.274 million) were past due but not impaired. These relate to a number of independent customers from whom there is no recent history of default. The age analysis of these trade debts is as follows:

	2016 Rupees	2015 Rupees
Upto 1 month	626,609,493	1,405,111,005
1 to 6 months	874,226,136	1,743,823,756
More than 6 months	1,553,500,052	2,240,339,728
	3,054,335,681	5,389,274,489

17.2 As at 30 June 2016, trade debts due from related party amounting to Rupees 32.726 million (2015: Rupees 12.707 million) were past due but not impaired. The age analysis of these trade debts is as follows:

Upto 1 month	32,666,239	12,707,050
1 to 6 months	3,348	-
More than 6 months	56,544	-
	32,726,131	12,707,050

17.3 These includes trade receivables from NTDCL. These are secured by a guarantee from the Government of Pakistan under the Implementation Agreement and are in the normal course of business and interest free, however, a delayed payment mark-up at the rate of three months KIBOR plus 4.5% is charged in case the amounts are not paid within due dates. The rate of delayed payment mark-up charged during the year on outstanding amounts ranged from 10.55% to 14.71% (2015 :11.24% to 14.71%) per annum.

17.4 Included in trade debts is an amount of Rupees 957.872 million relating to capacity purchase price not acknowledged by NTDCL as the plant was not fully available for power generation. However, the sole reason of this under-utilization of plant capacity was non-availability of fuel owing to non-payment by NTDCL. Since management considers that the primary reason for claiming these payments is that plant was available, however, could not generate electricity due to non-payment by NTDCL, therefore, management believes that Nishat Chunian Power Limited - Subsidiary Company cannot be penalized in the form of payment deductions due to NTDCL's default of making timely payments under the PPA. Hence, Nishat Chunian Power Limited - Subsidiary Company had taken up this issue at appropriate forums. On 28 June 2013, Nishat Chunian Power Limited - Subsidiary Company entered into a Memorandum of Understanding (MoU) for cooperation on extension of credit terms with NTDCL whereby it was agreed that the constitutional petition filed by Nishat Chunian Power Limited - Subsidiary Company before the Supreme Court of Pakistan on the abovementioned issue would be withdrawn unconditionally and it would be resolved through the dispute resolution mechanism under the PPA. Accordingly, as per terms of the MoU, Nishat Chunian Power Limited - Subsidiary Company applied for withdrawal of the aforesaid petition which is pending adjudication before Supreme Court of Pakistan. During the previous year, Nishat Chunian Power Limited - Subsidiary Company in consultation with NTDCL, appointed an Expert for dispute resolution under the PPA. During the current year, the Expert has given his determination whereby the aforesaid amount has been determined to be payable to Nishat Chunian Power Limited - Subsidiary Company by NTDCL. Pursuant to the Expert's determination, Nishat Chunian Power Limited - Subsidiary Company has demanded the payment of the aforesaid amount of Rupees 957.872 million from NTDC that has not yet been paid by NTDC. Consequently, under the terms of PPA, Nishat Chunian Power Limited - Subsidiary Company has filed petition for arbitration in The London Court of International Arbitration ('LCIA'), whereby an arbitrator has been appointed and the matter is pending arbitration. In October 2015, the Government of Pakistan ('GOP') through Private Power & Infrastructure Board ('PPIB') has filed a case in the court of Senior Civil Judge, Lahore, against the aforementioned decision of the Expert, praying it to be illegal, which is pending adjudication.

Furthermore, during the current year, NTDC filed a stay application in the LCIA before the Arbitrator to stay the arbitration proceedings. Subsequent to year end, in response to NTDC's stay application, the Arbitrator through his order dated 08 July 2016, has declared that the arbitration shall proceed and has denied NTDC's request for a stay. Also, the Arbitrator has ordered NTDC to withdraw the abovementioned case filed in the court of Senior Civil Judge, Lahore and has refrained it from taking any further steps therein to disrupt the arbitration proceedings. Based on the advice of Nishat Chunian Power Limited - Subsidiary Company's legal counsel and Expert's determination, management feels that the above amount is likely to be recovered by Nishat Chunian Power Limited - Subsidiary Company. Consequently, no provision for the above mentioned amount has been made in these consolidated financial statements.

	2016 Rupees	2015 Rupees
18. LOANS AND ADVANCES		
Considered good:		
Employees - interest free:		
- Executives	8,991,204	4,657,687
- Other employees	5,206,339	915,607
	14,197,543	5,573,294
Current portion of long term loans to employees (Note 14)	2,971,389	2,403,762
Advances to suppliers (Note 18.1)	708,130,384	482,155,904
Advances to contractors	7,799,520	1,351,999
Letters of credit	567,571,357	535,189,482
	1,300,670,193	1,026,674,441

18.1 It includes advances amounting to Rupees 1.140 million (2015: Rupees 1.531 million) to D.G. Khan Cement Company Limited - related party.

	2016 Rupees	2015 Rupees
19. SHORT TERM DEPOSITS AND PREPAYMENTS		
Deposits	9,031,988	7,031,988
Prepayments	8,028,044	13,484,758
	17,060,032	20,516,746

	2016 Rupees	2015 Rupees
20. OTHER RECEIVABLES		
Considered good:		
Sales tax recoverable	1,525,068,674	936,993,521
Advance income tax - net	864,312,084	696,016,833
Export rebate and claims	110,106,713	112,101,331
Receivable from employees' provident fund trust	14,370,841	12,411,958
Claim recoverable from NTDCL for pass through item - Workers' profit participation fund (Note 20.1)	674,817,573	537,005,460
Fair value of forward exchange contracts	45,758,252	33,770,944
Miscellaneous (Note 20.2)	66,840,753	25,767,694
	3,301,274,890	2,354,067,741

		2016 Rupees	2015 Rupees
20.1	**Workers' profit participation fund**		
	Balance as at 01 July	537,005,460	382,489,804
	Add: Provision for the year	137,812,113	154,515,656
	Balance as at 30 June	674,817,573	537,005,460

20.1.1 Under section 9.3(a) of the Power Purchase Agreement (PPA) with NTDCL, payments to Workers' Profit Participation Fund by Nishat Chunian Power Limited - Subsidiary Company are recoverable from NTDCL as pass through item.

20.2 It includes Rupees 3.752 million (2015: Rupees 0.243 million) receivable from Adamjee Insurance Company Limited - associated company.

		2016 Rupees	2015 Rupees
21.	**SHORT TERM INVESTMENTS**		
	Held-to-maturity		
	Term deposit receipts (Note 21.1)	10,500,000	20,660,225
	Add: Accrued interest	20,822	1,231,259
		10,520,822	21,891,484

21.1 These represent deposits under lien with the bank of the Group Companies against bank guarantees of the same amount issued by the bank. Interest on term deposit receipts ranges from 3.19% to 4.23% (2015: 7.20% to 8.71%) per annum. The maturity period of these term deposit receipts is six months.

		2016 Rupees	2015 Rupees
22.	**CASH AND BANK BALANCES**		
	Cash with banks:		
	On saving accounts (Note 22.1) Including US$ 14,424 (2015: US$ 21,802)	19,746,546	40,061,799
	On current accounts (Note 22.2) Including US$ 22,240 (2015: US$ 45,204)	50,372,487	973,308,307
		70,119,033	1,013,370,106
	Cash in hand	5,994,961	1,155,354
		76,113,994	1,014,525,460

22.1 Rate of profit on saving accounts ranges from 3.75% to 6.88% (2015: 4.5% to 7.27%) per annum.

22.2 Included in cash with banks on current accounts are Rupees 9.996 million (2015: Rupees 3.766 million) with MCB Bank Limited - associated company.

		2016 Rupees	2015 Rupees
23.	**SALES**		
	Export	15,697,232,139	14,712,459,345
	Local (Note 23.1 Note 23.2)	23,997,794,646	31,753,822,610
	Export rebate and duty draw back	49,423,298	42,971,932
		39,744,450,083	46,509,253,887

		2016 Rupees	2015 Rupees
23.1	**Local sales**		
	Sales	25,831,702,295	34,714,044,743
	Processing income	395,235,594	425,520,829
		26,226,937,889	35,139,565,572
	Less: Sales tax	1,812,952,554	3,097,102,059
	Less: Discount	416,190,689	288,640,903
		23,997,794,646	31,753,822,610

23.2 Local sales includes waste sales of Rupees 510.209 million (2015: Rupees 493.522 million).

24.	**COST OF SALES**	2016 Rupees	2015 Rupees
	Raw materials consumed	24,142,046,218	29,945,905,992
	Packing materials consumed	803,855,260	703,305,158
	Operations and maintenance	(151,034,479)	231,311,976
	Stores, spare parts and loose tools consumed	1,109,319,240	1,060,874,421
	Processing charges	125,739,895	40,959,518
	Salaries, wages and other benefits (Note 24.1)	2,153,828,601	2,004,399,027
	Fuel and power	2,176,961,208	2,796,098,852
	Fee and subscription	3,561,059	3,882,342
	Insurance	207,674,812	214,172,670
	Postage and telephone	5,298,055	6,475,076
	Travelling and conveyance	38,407,473	30,823,337
	Vehicles' running and maintenance	21,414,111	22,122,109
	Lease rentals	1,240,513	-
	Ijarah rentals	-	9,116,975
	Entertainment	8,121,057	7,275,569
	Depreciation on operating fixed assets (Note 13.1.2)	1,942,680,167	1,880,873,203
	Repair and maintenance	337,507,822	304,575,830
	Other factory overheads	88,593,016	64,003,945
		33,015,214,028	39,326,176,000
	Work-in-process		
	Opening stock	440,237,780	507,370,103
	Closing stock	(664,745,190)	(440,237,780)
		(224,507,410)	67,132,323
	Cost of goods manufactured	32,790,706,618	39,393,308,323
	Finished goods and waste - opening stocks		
	Finished goods	1,287,068,930	1,189,376,622
	Waste	33,960,725	39,999,009
		1,321,029,655	1,229,375,631
		34,111,736,273	40,622,683,954
	Finished goods and waste - closing stocks		
	Finished goods	(1,200,198,744)	(1,287,068,930)
	Waste	(45,165,814)	(33,960,725)
		(1,245,364,558)	(1,321,029,655)
		32,866,371,715	39,301,654,299

24.1 Salaries, wages and other benefits include Rupees 14.311 million (2015: Rupees 13.919 million) and Rupees 41.451 million (2015: Rupees 36.197 million) in respect of accumulating compensated absences and provident funds contribution by the Holding Company and Nishat Chunian Power Limited - Subsidiary Company respectively.

		2016 Rupees	2015 Rupees
25.	**DISTRIBUTION COST**		
	Salaries and other benefits (Note 25.1)	86,317,742	58,923,567
	Ocean freight	105,133,614	152,052,727
	Freight and octroi	96,447,113	78,626,969
	Forwarding and other expenses	365,645,184	286,782,244
	Export marketing expenses	137,381,675	148,481,663
	Commission to selling agents	134,658,978	90,324,863
		925,584,306	815,192,033

25.1 Salaries and other benefits include Rupees 3.374 million (2015: Rupees 2.623 million) and Rupees 3.390 million (2015: Rupees 2.238 million) in respect of accumulating compensated absences and provident fund contribution by the Holding Company respectively.

		2016 Rupees	2015 Rupees
26.	**ADMINISTRATIVE EXPENSES**		
	Salaries and other benefits (Note 26.1)	160,253,082	161,018,009
	Printing and stationery	3,416,198	4,687,603
	Vehicles' running and maintenance	4,991,314	6,168,773
	Travelling and conveyance	51,195,764	52,290,414
	Postage and telephone	8,703,516	10,514,390
	Fee and subscription	10,019,894	10,824,851
	Legal and professional (Note 26.2)	33,707,941	14,765,082
	Electricity and sui gas	8,174,710	9,857,475
	Insurance	4,742,146	6,780,115
	Repair and maintenance	2,884,331	3,940,855
	Entertainment	8,068,443	9,455,750
	Depreciation on operating fixed assets (Note 13.1.2)	22,148,013	22,552,621
	Amortization on intangible assets (Note 13.1.3)	4,402,497	3,352,589
	Miscellaneous	9,873,823	15,294,941
		332,581,672	331,503,468

26.1 Salaries and other benefits include Rupees 2.666 million (2015: Rupees 3.667 million) and Rupees 4.716 million (2015: Rupees 5.857 million) in respect of accumulating compensated absences and provident fund contribution by the Holding Company and Nishat Chunian Power Limited - Subsidiary Company respectively.

26.2 Legal and professional charges include the following in respect of auditors' remuneration for:

	2016	2015
Riaz Ahmad & Company		
Audit fee	1,646,500	1,535,000
Half yearly review	364,000	336,000
Certification fees	100,000	100,000
Reimbursable expenses	174,700	157,000
	2,285,200	2,128,000
A. F. Ferguson & Co.		
Audit fee	1,400,000	1,300,000
Half yearly review	800,000	770,000
Tax services	301,200	1,509,000
Other assurance services	125,000	125,000
Reimbursable expenses	180,136	163,760
	2,806,336	3,867,760
Riaz Ahmad, Saqib, Gohar & Company		
Audit fee	75,000	40,000
	5,166,536	6,035,760

	2016 Rupees	2015 Rupees

27. OTHER EXPENSES

	2016 Rupees	2015 Rupees
Workers' profit participation fund	85,243,208	60,344,322
Donations (Note 27.1)	86,195,577	38,130,000
Trade debts written off	-	405,087
Advances to suppliers written off	-	730,592
Loss on derivative financial instruments	5,110,987	15,509,683
Exchange loss	2,495,795	19,873,885
Impairment of goodwill	-	8,563,080
Impairment loss (Note 13.1)	9,725,736	-
	188,771,303	143,556,649

27.1 Donations

Following is the interest of the directors of the Group in the donees:

Donee	Directors of the Group Companies	Interest in donee	2016 Rupees	2015 Rupees
Mian Muhammad Yahya Trust	Mr. Shahzad Saleem	Trustee		
31-Q, Gulberg II, Lahore	Mrs. Farhat Saleem	Trustee		
	Mr. Aftab Ahmad Khan	Trustee	1,992,457	6,160,000
Saleem Memorial Trust Hospital	Mr. Shahzad Saleem	Director		
31-Q, Gulberg II, Lahore	Mrs. Farhat Saleem	Director	81,143,120	26,700,000
Lahore University of Management Sciences, Opposite Sector U, Phase - V, D.H.A, Lahore	Mr Shahzad Saleem	Trustee	250,000	-
			83,385,577	32,860,000

28. OTHER INCOME

	2016 Rupees	2015 Rupees
Income from financial assets		
Return on bank deposits	3,017,789	3,876,699
Mark up on loans to executives	433,872	364,667
Credit balances written back	-	15,571,124
Income from non-financial assets		
Gain on sale of operating fixed assets	15,665,125	3,331,959
Sale of scrap	67,945,157	73,745,625
Miscellaneous	8,906,117	1,665,730
	95,968,060	98,555,804

29. FINANCE COST

	2016 Rupees	2015 Rupees
Mark-up on:		
- long term loans	1,252,330,197	1,950,568,973
- long term musharaka	20,396,273	39,935,287
- redeemable capital	921,458	13,277,741
- short term running finances	458,831,286	613,082,122
- export finances - Preshipment / SBP refinances	198,496,615	292,809,241
- short term finances	215,010,630	257,433,567
Interest on workers' profit participation fund (Note 8.2)	6,602,743	3,174,627
Bank charges and commission	108,945,288	78,132,675
	2,261,534,490	3,248,414,233

30. TAXATION

	2016 Rupees	2015 Rupees
Current (Notes 30.1 and 30.4)	286,506,930	366,905,825
Prior year adjustment	-	(23,958,344)
	286,506,930	342,947,481

30.1 Provision for current taxation represents minimum tax on local sales of the Holding Company, final tax on export sales and super tax of the Holding Company, tax on income from other sources at applicable rates. Provision for current taxation relating to Nishat Chunian USA Inc. is as per applicable laws of USA. Reconciliation of tax expense and product of accounting profit multiplied by applicable tax rate has not been presented, being impracticable.

30.2 Deferred income tax asset

The asset for deferred income tax of the Holding Company originated due to timing differences relating to:

Taxable temporary difference		
Accelerated tax depreciation	(157,961,488)	(98,454,328)
Deductible temporary differences		
Available tax losses	786,425,685	669,114,613
Amortization on intangible asset	115,848	265,986
	786,541,533	669,380,599
Deferred income tax asset	628,580,045	570,926,271
Deferred income tax asset not recognized	(628,580,045)	(570,926,271)
Deferred income tax asset recognized	-	-

30.2.1 Deferred income tax asset of Rupees 628.580 million (2015: Rupees 570.926 million) has not been recognized in these consolidated financial statements as the Holding Company's management believes that sufficient taxable profits will not be probably available in foreseeable future, hence, the temporary differences may not reverse.

30.3 The Holding Company has carry forwardable tax losses of Rupees 2,621 million (2015: Rupees 2,229 million).

30.4 For the purposes of current taxation Nishat Chunian Power Limited - Subsidiary Company, the tax credit available for carry forward is estimated at Rupees 70.733 million (2015: Rupees 76.826 million). Management believes that the tax credit available for carry forward may not be utilized in the foreseeable future. Consequently, based on the prudence principle, deferred tax asset has not been recognized in these consolidated financial statements.

	2016	2015 Restated
31. EARNINGS PER SHARE - BASIC AND DILUTED		
Profit after taxation attributable to shareholders of the Holding Company (Rupees)	1,630,301,367	912,297,690
Weighted average number of ordinary shares outstanding during the year (Number)	237,862,307	211,438,719
Basic earnings per share (Rupees)	6.85	4.31

31.1 There is no dilutive effect on basic earnings per share for the year ended 30 June 2016 and 30 June 2015 as no potential ordinary shares were in issue as on 30 June 2016 and 30 June 2015.

	2016 Rupees	2015 Rupees
32. CASH GENERATED FROM OPERATIONS		
Profit before taxation	3,265,574,657	2,767,489,009
Adjustments for non-cash charges and other items:		
Depreciation on operating fixed assets	1,964,828,180	1,903,425,824
Amortization on intangible asset	4,402,497	3,352,589
Gain on sale of property, plant and equipment	(15,665,125)	(3,331,959)
Finance cost	2,261,534,490	3,248,414,233
Return on bank deposits	(3,017,789)	(3,876,699)
Trade debts written off	-	405,087
Advances to suppliers written off	-	730,592
Impairment of goodwill	-	8,563,080
Impairment loss on operating fixed assets	9,725,736	-
Loss on derivative financial instruments	1,713,049	-
Credit balances written back	-	(15,571,124)
Working capital changes (Note 32.1)	120,672,387	118,037,110
	7,609,768,082	8,027,637,742
32.1 Working capital changes		
(Increase) / decrease in current assets:		
Stores, spare parts and loose tools	89,964,232	121,462,749
Stock-in-trade	(600,761,396)	537,876,342
Trade debts	1,281,252,725	1,679,581,011
Loans and advances	(273,428,125)	(257,750,580)
Short term deposits and prepayments	3,456,714	(12,252,935)
Other receivables	(778,911,898)	(313,169,680)
	(278,427,748)	1,755,746,907
Increase / (decrease) in trade and other payables	399,100,135	(1,637,709,797)
	120,672,387	118,037,110

33. REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

Aggregate amount charged in these consolidated financial statements for the year for remuneration including certain benefits to the chief executive, directors and executives of the Holding Company is as follows:

	Chief Executive		Directors		Executives	
	2016	2015	2016	2015	2016	2015
	Rupees					
Managerial remuneration	4,600,000	4,600,000	-	-	75,443,416	73,664,373
Contribution to provident fund	-	-	-	-	6,277,773	6,136,242
House rent	1,840,000	1,840,000	-	-	30,177,366	29,465,749
Utilities	460,000	460,000	-	-	7,544,342	7,366,437
Others	1,992,864	1,992,864	-	-	15,122,357	7,088,591
	8,892,864	8,892,864	-	-	134,565,254	123,721,392
Number of persons	**1**	**1**	**-**	**-**	**75**	**74**

33.1 The Holding Company provides to chief executive, directors and certain executives with free use of Holding Company maintained cars and residential telephones.

33.2 Aggregate amount charged in these consolidated financial statements for meeting fee to seven (2015: seven) directors of the Holding Company was Rupees 320,000 (2015: Rupees 600,000).

33.3 No remuneration was paid to non-executive directors of the Holding Company.

34. TRANSACTIONS WITH RELATED PARTIES

Related parties comprise of associated undertakings, other related companies, key management personnel and post employment benefit plan. The Group in the normal course of business carried out transactions with various related parties. Details of transactions with related parties, other than those which have been specifically disclosed elsewhere in these consolidated financial statements are as follows:

	2016 Rupees	2015 Rupees
Associated undertakings		
Insurance premium paid	77,786,126	75,874,875
Insurance claims received	22,405,636	26,064,985
Other related parties		
Purchase of goods	35,762,623	29,238,182
Sales of goods	810,721,648	872,819,358
Dividend paid	59,945,910	33,303,285

35. PROVIDENT FUND RELATED DISCLOSURES

The following information is based on audited financial statements of the provident fund of the Holding Company for the years ended 30 June 2016 and 30 June 2015 and un-audited financial statements of the provident fund of Nishat Chunian Power Limited - Subsidiary Company for the year ended 30 June 2016 and audited financial statements for the year ended 30 June 2015:

	Nishat (Chunian) Limited		Nishat Chunian Power Limited	
	2016	2015	2016	2015
	Rupees	Rupees	Rupees	Rupees
Size of the fund - Total assets	362,073,888	322,160,285	40,443,192	29,521,706
Cost of investments	326,332,489	289,715,208	34,825,456	25,740,843
Fair value of investments	343,275,220	299,945,346	35,009,397	26,151,909
Percentage of investments made	94.81%	93.10%	86.56%	88.59%

35.1 The break-up of fair value of investments is as follows:

Deposits with banks	2,713,939	37,558,646	100,858	80,465
Treasury bills	307,050,071	235,731,493	34,908,539	26,071,444
Mutual funds - open end	25,829,302	18,189,902	-	-
Listed securities	7,681,908	8,465,305	-	-
	343,275,220	299,945,346	35,009,397	26,151,909

	Nishat (Chunian) Limited		Nishat Chunian Power Limited	
	2016	2015	2016	2015
Deposits with banks	0.79%	12.52%	0.29%	0.31%
Treasury bills	89.45%	78.59%	99.71%	99.69%
Mutual funds - open end	7.52%	6.06%	0.00%	0.00%
Listed securities	2.24%	2.83%	0.00%	0.00%
	100.00%	100.00%	100.00%	100.00%

35.2 Investments, out of provident funds, have been made in accordance with the provision of section 227 of the Companies Ordinance, 1984 and the rules formulated for this purpose.

	2016	2015
36. NUMBER OF EMPLOYEES		
Number of employees as on 30 June	6,381	6,673
Average number of employees during the year	6,472	6,478

37. SEGMENT INFORMATION

	Spinning		Weaving		Processing and Home Textile		Power Generation		Entertainment		Elimination of inter-segment transactions		Total - Group	
	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015
	-Rupees-													
Sales														
- External	14,013,687,124	14,383,614,349	4,362,790,019	2,998,420,202	7,498,639,805	6,552,657,147	13,853,806,315	22,574,562,189	15,526,820	-	-	-	39,744,450,083	46,509,253,887
- Inter-segment	2,005,971,525	1,850,074,380	2,967,905,319	3,089,700,405	1,883,835,920	1,449,817,802	2,109,506,227	2,924,616,301	-	-	(8,967,218,991)	(9,314,208,888)	-	-
	16,019,658,649	16,233,688,729	7,330,695,338	6,088,120,607	9,382,475,725	8,002,474,949	15,963,312,542	25,499,178,490	15,526,820	-	(8,967,218,991)	(9,314,208,888)	39,744,450,083	46,509,253,887
Cost of sales	(15,267,920,887)	(15,436,398,226)	(6,818,251,515)	(5,846,998,873)	(8,079,746,715)	(7,343,044,000)	(11,647,774,184)	(19,989,422,088)	(19,897,405)	-	8,967,218,991	9,314,208,888	(32,866,371,715)	(39,301,654,299)
Gross profit / (loss)	751,737,762	797,290,503	512,443,823	241,121,734	1,302,729,010	659,430,949	4,315,538,358	5,509,756,402	(4,370,585)	-	-	-	6,878,078,368	7,207,599,588
Distribution cost	(291,311,043)	(287,370,122)	(113,143,361)	(92,240,030)	(521,129,902)	(435,581,881)	-	-	-	-	-	-	(925,584,306)	(815,192,033)
Administrative expenses	(27,823,839)	(31,267,103)	(38,519,745)	(35,817,383)	(103,102,275)	(124,185,695)	(160,175,780)	(135,003,929)	(2,960,033)	(5,229,358)	-	-	(332,581,672)	(331,503,468)
	(319,134,882)	(318,637,225)	(151,663,106)	(128,057,413)	(624,232,177)	(559,767,576)	(160,175,780)	(135,003,929)	(2,960,033)	(5,229,358)	-	-	(1,258,165,978)	(1,146,695,501)
Profit / (loss) before taxation and unallocated income and expenses	432,602,880	478,653,278	360,780,717	113,064,321	678,496,833	99,663,373	4,155,362,578	5,374,752,473	(7,330,618)	(5,229,358)	-	-	5,619,912,390	6,060,904,087
Unallocated income and expenses														
Other expenses													(188,771,303)	(143,556,649)
Other income													95,968,060	98,555,804
Finance cost													(2,261,534,490)	(3,248,414,233)
Taxation													(286,506,930)	(342,947,481)
Profit after taxation													2,979,067,727	2,424,541,528

37.1 Reconciliation of reportable segment assets and liabilities

	Spinning		Weaving		Processing and Home Textile		Power Generation		Entertainment		Total - Group	
	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015
	Rupees											
Total assets for reportable segments	13,532,518,336	12,933,437,972	2,739,814,780	1,988,592,913	5,714,206,761	4,777,829,054	28,413,376,375	27,875,747,059	348,879,344	34,227,002	50,748,795,596	47,609,834,000
Unallocated assets:												
Other receivables											1,530,672,435	1,530,672,435
Short term investments											-	21,891,484
Cash and bank balances											48,667,523	969,467,798
Other corporate assets											540,068,875	180,788,878
Total assets as per consolidated balance sheet											52,868,204,429	50,312,654,595
Total liabilities for reportable segments	496,789,449	59,154,235	296,521,266	61,912,662	850,578,682	438,684,365	18,375,943,501	17,931,070,568	17,087,419	81,210	20,036,920,317	18,490,903,040
Unallocated liabilities:												
Long term financing											3,661,105,000	4,691,031,406
Redeemable capital											-	31,250,000
Accrued mark-up											142,984,217	171,942,000
Short term borrowings											12,120,082,522	10,817,110,967
Other corporate liabilities											252,354,245	730,211,369
Total liabilities as per consolidated balance sheet											36,213,446,301	34,932,448,782

37.2 Geographical information

The Group's revenue from external customers by geographical location is detailed below:

	2016 Rupees	2015 Rupees
Europe	3,482,993,461	2,952,755,518
Asia, Africa and Australia	9,941,641,081	8,839,507,209
United States of America, Canada and South America	4,232,482,912	4,524,251,322
Pakistan	22,087,386,629	30,192,739,838
	39,744,504,083	46,509,253,887

37.3 Almost all of the non-current assets of the Group as at reporting dates are located and operating in Pakistan.

37.4 Revenue from major customers

Nishat Chunian Power Limited - Subsidiary Company sells electricity only to NTDCL. The Holding Company earns revenue from a large mix of customers.

38. PLANT CAPACITY AND ACTUAL PRODUCTION

Nishat (Chunian) Limited - Holding Company

	2016	2015
Spinning		
Number of spindles installed	209,652	209,412
Number of spindles worked	183,917	188,124
Number of shifts per day	3	3
Capacity after conversion into 20/1 count (Kgs.)	66,165,532	64,661,278
Actual production of yarn after conversion into 20/1 count (Kgs.)	65,187,716	63,705,692

Under utilization of available capacity was due to normal maintenance and time lost in shifting of coarser counts to finer counts and vice versa.

	2016	2015
Weaving		
Number of looms installed	361	293
Number of looms worked	361	293
Number of shifts per day	3	3
Capacity after conversion into 50 picks - square yards	231,560,698	215,512,868
Actual production after conversion into 50 picks - square yards	203,167,378	184,549,618

Under utilization of available capacity was due to the following reasons:

- change of articles required
- higher count and cover factor
- due to normal maintenance

	2016	2015
Power plant		
Number of engines installed	17	19
Number of engines worked	17	19
Number of shifts per day	3	3
Generation capacity (KWh)	333,756,000	346,896,000
Actual generation (KWh)	131,277,428	89,705,629

Under utilization of available capacity was due to normal maintenance and demand.

	2016	2015
Dyeing		
Number of thermosol dyeing machines	1	1
Number of stenters machines	3	3
Number of shifts per day	3	3
Capacity in meters	30,800,000	30,800,000
Actual processing of fabrics - meters	27,480,338	24,490,564

Under utilization of available capacity was due to normal maintenance and power outages.

	2016	2015
Printing		
Number of printing machines	1	1
Number of shifts per day	2	2
Capacity in meters	6,200,000	6,200,000
Actual processing of fabrics - meters	6,279,602	5,963,426

Actual processing was in excess of rated capacity due to processing of less complex designs.

	2016	2015
Digital Printing		
Number of printing machines	1	-
Capacity in meters	1,560,000	-
Actual processing of fabrics - meters	400,911	-

Stitching

The plant capacity of this division is indeterminable due to multi product plant involving varying run length of order lots.

Nishat Chunian Power Limited - Subsidiary Company

	2016	2015
Installed capacity [based on 8,784 hours (2015: 8,760) hours] - MWH	1,719,222	1,714,525
Actual energy delivered - MWH	1,208,325	1,415,307

Output produced by Plant is dependent on the load demanded by NTDCL and Plant availability.

39. INTERESTS IN OTHER ENTITIES

39.1 Non-controlling interests (NCI)

Set out below is summarised financial information for Nishat Chunian Power Limited- Subsidiary Company that has non-controlling interests that are material to the Group. The amounts disclosed for Subsidiary Company are before inter-company eliminations.

	2016 Rupees	2015 Rupees
Summarised balance sheet		
Current assets	8,856,598,585	10,848,740,783
Current liabilities	6,880,931,846	7,692,158,146
Current net assets	1,975,666,739	3,156,582,637
Non-current assets	12,824,295,035	13,398,408,117
Non-current liabilities	7,507,385,788	9,171,718,257
Non-current net assets	5,316,909,247	4,226,689,860
Net assets	7,292,575,986	7,383,272,497
Accumulated non-controlling interest	3,562,941,251	3,607,323,562
Summarised statement of comprehensive income		
Revenue	13,853,806,315	22,574,562,189
Profit for the year	2,756,242,265	3,090,313,123
Other comprehensive income	-	-
Total comprehensive income	2,756,242,265	3,090,313,123
Profit allocated to non-controlling interest	1,348,766,360	1,512,243,838
Dividend to non-controlling interest	1,393,148,671	1,348,208,394
Summarised cash flows		
Cash flows from operating activities	5,476,874,618	4,262,089,165
Cash flows from investing activities	(596,736,334)	(417,090,336)
Cash flows from financing activities	(3,638,870,454)	(4,529,064,761)
Net increase / (decrease) in cash and cash equivalents	1,241,267,830	(684,065,932)

40. FINANCIAL RISK MANAGEMENT

40.1 Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk (including currency risk, other price risk and interest rate risk), credit risk and liquidity risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Group's financial performance. The Group uses derivative financial instruments to hedge certain risk exposures.

Risk management is carried out by the finance departments of the Group Companies under policies approved by the respective Board of Directors. The finance departments evaluate and hedges financial risks. The Board of each Group Company provides principles for overall risk management, as well as policies covering specific areas such as currency risk, other price risk, interest rate risk, credit risk, liquidity risk, use of derivative financial instruments and non derivative financial instruments and investment of excess liquidity.

(a) Market risk

(i) Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Currency risk arises mainly from future commercial transactions or receivables and payables that exist due to transactions in foreign currencies.

The Group is exposed to currency risk arising from various currency exposures, primarily with respect to the United States Dollar (USD) and Euro. Currently, the Group's foreign exchange risk exposure is restricted to bank balances, borrowings and the amounts receivable / payable from / to the foreign entities. The Group uses forward exchange contracts to hedge its foreign currency risk, when considered appropriate. The Group's exposure to currency risk was as follows:

	2016	2015
Cash at banks - USD	36,664	67,006
Trade debts - USD	44,855,643	38,345,122
Trade debts - EURO	247,558	2,074,595
Trade and other payables - USD	(1,718,908)	(986,438)
Trade and other payables - EURO	(40,496)	(15,455)
Short term borrowings - USD	(8,043,596)	(33,180,926)
Accrued mark-up - USD	(42,195)	(274,008)
Net exposure - USD	35,087,608	3,970,756
Net exposure - EURO	207,062	2,059,140

The following significant exchange rates were applied during the year:

	2016	2015
Rupees per US Dollar		
Average rate	104.30	101.31
Reporting date rate	104.50	101.50
Rupees per EURO		
Average rate	115.47	120.86
Reporting date rate	116.08	113.57

Sensitivity analysis

If the functional currency, at reporting date, had weakened / strengthened by 5% against the USD and Euro with all other variables held constant, the impact on profit after taxation for the year would have been Rupees 172.950 million (2015: Rupees 20.269 million) higher / lower, mainly as a result of exchange gains / losses on translation of foreign exchange denominated financial instruments. Currency risk sensitivity to foreign exchange movements has been calculated on a symmetric basis. In management's opinion, the sensitivity analysis is unrepresentative of inherent currency risk as the year end exposure does not reflect the exposure during the year.

(ii) Other price risk

Other price risk represents the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instrument traded in the market. The Group is not exposed to equity and commodity price risks.

(iii) Interest rate risk

This represents the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The Group has no significant interest-bearing assets except long term loans to employees, overdue trade debts of Nishat Chunian Power Limited - Subsidiary Company and bank balances in saving and deposit accounts. The Group's interest rate risk mainly arises from long term financing and short term borrowings. Borrowings obtained at variable rates expose the Group to cash flow interest rate risk. Borrowings obtained at fixed rate expose the Group to fair value interest rate risk.

At the reporting date the interest rate profile of the Group’s interest bearing financial instruments was:

	2016 Rupees	2015 Rupees
Fixed rate instruments		
Financial liabilities		
Long term financing	462,980,000	26,378,614
Short term borrowings	3,482,164,394	5,915,367,414
	3,945,144,394	5,941,746,028
Financial assets		
Long term loans to employees	14,285,790	16,860,720
Net exposure	(3,930,858,604)	(5,924,885,308)

	2016 Rupees	2015 Rupees
Floating rate instruments		
Financial assets		
Trade debts - over due	1,972,650,386	2,823,461,270
WPPF receivable from NTDC - overdue	382,489,804	237,451,859
Bank balances - saving accounts	7,182,797	40,061,799
Short term investments	10,500,000	20,660,225
	2,372,822,987	3,121,635,153
Financial liabilities		
Long term financing	16,236,001,101	16,167,895,497
Redeemable capital	-	31,250,000
Short term borrowings	12,978,401,181	10,386,044,689
	29,214,402,282	26,585,190,186
Net exposure	(26,841,579,295)	(23,463,555,033)

Fair value sensitivity analysis for fixed rate instruments

The Group does not account for any fixed rate financial assets and liabilities at fair value through profit or loss. Therefore, a change in interest rate at the reporting date would not affect profit or loss of the Group.

Cash flow sensitivity analysis for variable rate instruments

If interest rates at the year end date, fluctuates by 1% higher / lower with all other variables held constant, profit after taxation for the year would have been Rupees 254.995 million (2015: Rupees 222.904 million) lower / higher, mainly as a result of higher / lower interest expense on floating rate borrowings. This analysis is prepared assuming the amounts of liabilities outstanding at reporting dates were outstanding for the whole year.

(b) Credit risk

Credit risk represents the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was as follows:

	2016 Rupees	2015 Rupees
Deposits	29,906,428	27,906,428
Trade debts	11,221,170,113	12,502,422,838
Loans and advances	41,381,934	24,436,829
Short term investments	10,520,822	21,891,484
Other receivables	787,416,578	596,544,098
Accrued interest	-	477,712
Bank balances	70,119,033	1,013,370,106
	12,160,514,908	14,187,049,495

The credit quality of financial assets that are neither past due nor impaired can be assessed by reference to external credit ratings (If available) or to historical information about counterparty default rate:

	Rating			2016	2015
	Short Term	Long term	Agency	Rupees	Rupees
Banks					
Al-Baraka Bank (Pakistan) Limited	A1	A	PACRA	525,305	203,545
Askari Bank Limited	A-1+	AA	JCR-VIS	19,409	16,660
Allied Bank Limited	A1+	AA+	PACRA	111,492	951,794,725
Bank Alfalah Limited	A1+	AA	PACRA	2,022,147	2,469,657
Bank Al-Habib Limited	A1+	AA+	PACRA	2,001,817	594,052
BankIslami Pakistan Limited	A1	A+	PACRA	22,016,322	122,863
Barclays Bank Plc. Limited		Not available		-	410
Burj Bank Limited	A-2	A-	JCR-VIS	20,761	20,578
Citibank N.A.	P-1	A2	Moody's	-	2,624
Dubai Islamic Bank (Pakistan) Limited	A-1	A+	JCR-VIS	692,639	566,990
Faysal Bank Limited	A1+	AA	PACRA	6,495,251	4,424,926
Habib Bank Limited	A-1+	AAA	JCR-VIS	2,617,948	2,387,271
MCB Bank Limited	A1+	AAA	PACRA	9,996,329	3,766,494
Meezan Bank Limited	A-1+	AA	JCR-VIS	199,404	951,060
National Bank of Pakistan	A-1+	AAA	PACRA	232,417	64,597
NIB Bank Limited	A1+	AA -	PACRA	6,360,020	29,937,993
Standard Chartered Bank (Pakistan) Limited	A1+	AAA	PACRA	153,748	149,333
Summit Bank Limited	A-1	A	JCR-VIS	-	463
The Bank of Punjab	A1+	AA -	PACRA	2,128,806	5,688,211
United Bank Limited	A-1+	AA+	JCR-VIS	1,832,566	1,772,693
Industrial and Commercial Bank of China Limited	P-1	A1	Moody's	705	-
Soneri Bank Limited	A1+	AA -	PACRA	2,523,679	6,861,292
JPMorgan Chase Bank, N.A.		Not available		10,168,268	40,827
Habib American Bank		Not available		-	1,532,842
				70,119,033	1,013,370,106
Short term investments					
BankIslami Pakistan Limited	A1	A	PACRA	-	21,891,484
Dubai Islamic Bank (Pakistan) Limited	A-1	A+	JCR-VIS	10,520,822	-
Trade debts - NTDCL		Not available		3,388,319,828	2,748,895,106
				3,468,959,683	3,784,156,696

The Group's exposure to credit risk and impairment losses related to trade debts is disclosed in Note 17.

Due to the Group's long standing business relationships with these counterparties and after giving due consideration to their strong financial standing, management does not expect non-performance by these counter parties on their obligations to the Group. Accordingly the credit risk is minimal.

(c) Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities.

The Group manages liquidity risk by maintaining sufficient cash and the availability of funding through an adequate amount of committed credit facilities. At 30 June 2016, the Group had Rupees 13,315 million available borrowing limits from financial institutions and Rupees 76.114 million cash and bank balances. The management believes the liquidity risk to be low. Following are the contractual maturities of financial liabilities, including interest payments. The amount disclosed in the table are undiscounted cash flows:

Contractual maturities of financial liabilities as at 30 June 2016:

	Carrying Amount	Contractual cash flows	6 month or less	6-12 month	1-2 Year	More than 2 Years
	Rupees					
Non-derivative financial liabilities:						
Long term financing	16,698,981,101	19,889,373,253	2,317,294,643	2,216,253,907	8,362,004,134	6,993,820,569
Short term borrowings	16,460,565,575	16,760,838,981	14,561,299,812	2,199,539,169	-	-
Trade and other payables	2,257,571,955	2,257,571,955	2,257,571,955	-	-	-
Accrued mark-up	458,805,704	458,805,704	458,805,704	-	-	-
	35,875,924,335	39,366,589,893	19,594,972,114	4,415,793,076	8,362,004,134	6,993,820,569

Contractual maturities of financial liabilities as at 30 June 2015:

	Carrying Amount	Contractual cash flows	6 months or less	6-12 months	1-2 Year	More than 2 Years
	Rupees					
Non-derivative financial liabilities:						
Long term financing	16,194,274,111	25,333,564,726	2,145,484,669	2,072,891,317	4,165,774,716	16,949,414,024
Redeemable capital	31,250,000	32,060,908	32,060,908	-	-	-
Short term borrowings	16,301,412,103	16,508,665,970	15,408,520,984	1,100,144,986	-	-
Trade and other payables	1,590,484,804	1,590,484,804	1,590,484,804	-	-	-
Accrued mark-up	525,773,933	525,773,933	525,773,933	-	-	-
	34,643,194,951	43,990,550,341	19,702,325,298	3,173,036,303	4,165,774,716	16,949,414,024

The contractual cash flows relating to the above financial liabilities have been determined on the basis of interest rates / mark up rates effective as at reporting date. The rates of interest / mark up have been disclosed in note 7 and note 10 to these consolidated financial statements.

40.2 Financial instruments by categories

Assets as per balance sheet

	2016			2015		
	Loans and receivables	At amortized cost	At fair value through profit or loss	Loans and receivables	At amortized cost	At fair value through profit or loss
	Rupees			Rupees		
Deposits	29,906,428	-	-	27,906,428	-	-
Trade debts	11,221,170,113	-	-	12,502,422,838	-	-
Loans and advances	41,381,934	-	-	24,436,829	-	-
Short term investments	-	10,520,822	-	-	21,891,484	-
Other receivables	741,658,326	-	45,758,252	562,773,154	-	33,770,944
Accrued interest	-	-	-	477,712	-	-
Cash and bank balances	76,113,994	-	-	1,014,525,460	-	-
	12,110,230,795	10,520,822	45,758,252	14,132,542,421	21,891,484	33,770,944

	At fair value through profit or loss	Liabilities at amortized cost	
Liabilities as per balance sheet	2016 Rupees	2016 Rupees	2015 Rupees
Long term financing	-	16,698,981,101	16,194,274,111
Redeemable capital	-	-	31,250,000
Accrued mark-up	-	458,805,704	525,773,933
Short term borrowings	-	16,460,565,575	16,301,412,103
Derivative financial instruments	1,713,049	-	-
Trade and other payables	-	2,257,571,955	1,590,484,804
	1,713,049	35,875,924,335	34,643,194,951

41. CAPITAL RISK MANAGEMENT

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, issue new shares or sell assets to reduce debt. Consistent with others in the industry and the requirements of the lenders, the Group monitors the capital structure on the basis of gearing ratio. This ratio is calculated as borrowings divided by total capital employed. Borrowings represent long term financing and short term borrowings obtained by the Group as referred to in note 7 and note 10 respectively. Total capital employed includes 'total equity' as shown in the balance sheet plus 'borrowings'. The Group's strategy, which was unchanged from last year, was to maintain a gearing ratio of 75% debt and 25% equity.

		2016	2015
Borrowings	Rupees	33,159,546,676	32,526,936,214
Total equity	Rupees	16,654,758,128	15,380,205,813
Total capital employed	Rupees	49,814,304,804	47,907,142,027
Gearing ratio	Percentage	66.57	67.90

42. RECOGNIZED FAIR VALUE MEASUREMENTS - FINANCIAL INSTRUMENTS

(i) Fair value hierarchy

Judgements and estimates are made in determining the fair values of the financial instruments that are recognised and measured at fair value in these consolidated financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Group has classified its financial instruments into the following three levels. An explanation of each level follows underneath the table.

Recurring fair value measurements At 30 June 2016	Level 1	Level 2	Level 3	Total
	------------- Rupees -------------			
Financial assets				
Derivative financial assets	-	45,758,252	-	45,758,252
Total financial assets	-	45,758,252	-	45,758,252
Financial liabilities				
Derivative financial liabilities	-	1,713,049	-	1,713,049
Total financial liabilities	-	1,713,049	-	1,713,049

Recurring fair value measurements At 30 June 2015	Level 1	Level 2	Level 3	Total
	------------- Rupees -------------			
Financial assets				
Derivative financial assets	-	33,770,944	-	33,770,943
Total financial assets	-	33,770,944	-	33,770,943

The above table does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amounts are a reasonable approximation of fair value. Due to short term nature, carrying amounts of certain financial assets and financial liabilities are considered to be the same as their fair value. For the majority of the non-current receivables, the fair values are also not significantly different to their carrying amounts.

There were no transfers between levels 1 and 2 for recurring fair value measurements during the year. Further, there was no transfer in and out of level 3 measurements.

The Group's policy is to recognise transfers into and transfers out of fair value hierarchy levels as at the end of the reporting period.

Level 1: The fair value of financial instruments traded in active markets (such as publicly traded derivatives, and trading and available-for-sale securities) is based on quoted market prices at the end of the reporting period. The quoted market price used for financial assets held by the Group is the current bid price. These instruments are included in level 1.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities.

Specific valuation techniques used to value financial instruments include the use of quoted market prices or dealer quotes for similar instruments.

43. UNUTILIZED CREDIT FACILITIES

The Group has total credit facilities amounting to Rupees 29,776 million (2015: Rupees 33,754 million) out of which Rupees 13,315 million (2015: Rupees 17,452 million) remained unutilized at the end of the year.

44. EVENTS AFTER THE REPORTING PERIOD

The Board of Directors of the Holding Company at their meeting held on October 4, 2016 has proposed cash dividend of Rupees 2.5 per ordinary share (2015: Rupees 1.5 per ordinary share) in respect of the year ended 30 June 2016. The board of directors of Nishat Chunian Power Limited - Subsidiary Company at their meeting held on October 4, 2016 has proposed cash dividend of Rupee 1.5 per ordinary share (2015: Rupees 2.0 per ordinary share) However, these events have been considered as non-adjusting events under IAS 10 'Events after the Reporting Period' and have not been recognized in these consolidated financial statements.

Under Section 5A of the Income Tax Ordinance, 2001, introduced through the Finance Act, 2015, the Holding Company is required to pay tax at the rate of 10% of so much of its undistributed profits as exceed 100% of its paid up capital unless it distributes profits equal to 40% of its after tax profits or 50% of its paid up capital, whichever is less, by due date for filing of income tax return for the tax year 2016. The requisite cash dividend has been proposed by the Board of Directors of the Holding Company in their meeting held on October 4, 2016 and will be distributed within the prescribed time limit. Therefore, the recognition of any income tax liability in this respect is not considered necessary.

45. DATE OF AUTHORIZATION FOR ISSUE

These consolidated financial statements were authorized for issue on October 4, 2016 by the Board of Directors of the Holding Company.

46. CORRESPONDING FIGURES

Corresponding figures have been rearranged / regrouped wherever necessary for the purpose of comparison. However, no significant rearrangements / regroupings have been made in these consolidated financial statements.

47. GENERAL

Figures have been rounded off to nearest of Rupee.

CHIEF EXECUTIVE DIRECTOR

PROXY FORM

The Company Secretary,
Nishat (Chunian) Limited
31-Q, Gulberg-II,
Lahore.

I / We ______________________ Of ____________________________ being a member(s) of Nishat (Chunian) Limited, and a holder of _____________ Ordinary shares as per Share Register Folio No. _____________ (in case of Central Depository System Account Holder A/c No. _________ Participant I.D. No. ______) hereby appoint ______________________ of _____________________ another member of the Company as per Register Folio No. ________________ or (failing him / her _____________________________ of _________________________ another member of the Company) as my / our Proxy to attend and vote for me / us and on my / our behalf at 27th Annual General Meeting of the Company, will be held on October 31, 2016 (Monday) at 10:45 a.m at the Head Office of the Company 31-Q, Gulberg II, Lahore and at any adjournment thereof.

As witness my hand this ____________ day of _______________ 2016 signed by the said ____ in presence of ____

Witness

Signature

Signature

Affix Rs. 5/-
Revenue
Stamp

Notes:

1. Proxies, in order to be effective, must be received at the company's Registered Office / Head Office not less than 48 hours before the meeting duly stamped, singed and witnessed.

2. Signature must agree with the specimen signature registered with the Company.

پراکسی فارم (مختارنامہ)

کمپنی سیکرٹری

نشاط (چونیاں) لمیٹڈ

Q-31، گلبرگ II، لاہور

میں/ہم --

ساکن --

بحیثیت رکن نشاط (چونیاں) لمیٹڈ اور حامل ------------ عام حصص بمطابق شیئر رجسٹر فولیو نمبر------------------

(بصورت سنٹرل ڈیپازٹری سسٹم اکاؤنٹ ہولڈر اکاؤنٹ نمبر------------ پارٹیسپنٹ آئی ڈی نمبر------------)

بذریعہ ہذا

محترم/محترمہ------------------------ ساکن ------------------------

جو کمپنی کا ممبر ہے بمطابق شیئر رجسٹر فولیو نمبر- - - - - - - - - - - - - - - - - یا (اسکی غیر موجودگی میں محترم/محترمہ- - - - - - - - - - - - - - - - -

ساکن ------------------------ جو کمپنی کا ممبر ہے بمطابق شیئر رجسٹر فولیو نمبر---------------- کو

مورخہ 31 اکتوبر 2016ء (بروز سوموار) کو منعقد ہونے والے کمپنی کے صدر دفتر Q-31، گلبرگ II، لاہور میں 27 ویں سالانہ اجلاس عام میں حق رائے دہی استعمال کرنے، تقریر اور شرکت کرنے کے لئے اپنا/ ہمارا بطور مختار (پراکسی) مقرر کرتا ہوں/کرتے ہیں۔

بطور گواہ میرے دستخط.................. آج بروز.................. بتاریخ.......... 2016ء

دستخط گواہ ....   دستخط گواہ ....

نوٹ:

1۔ پراکسیاں تاکہ موثر ہوسکیں کمپنی کے رجسٹرڈ دفتر/صدر دفتر میں باقاعدہ مہر، دستخط اور گواہی شدہ اجلاس سے کم از کم 48 گھنٹے قبل پہنچ جانی چاہئیں۔

2۔ دستخط کمپنی کے ہاں رجسٹرڈ نمونہ دستخطوں کے مطابق ہونے چاہئیں

5 روپے کا رسیدی ٹکٹ چسپاں کریں

اطلاع سالانہ اجلاسِ عام

بذریعہ ہذا مطلع کیا جاتا ہے کہ نشاط (چونیاں) لمیٹڈ (دی "کمپنی") کے حصص داران کا 27واں سالانہ اجلاسِ عام بمقام رجسٹرڈ دفتر Q-31، گلبرگ-II، لاہور پر بروز سوموار 31 اکتوبر 2016ء کو صبح 10:45 پر درج ذیل امور کی انجام دہی کیلئے منعقد ہوگا۔

عام امور:

1۔ 30 اکتوبر 2015ء کو منعقدہ گزشتہ سالانہ اجلاسِ عام کی کارروائی کی توثیق کرنا۔

2۔ 30 جون 2016ء مختتمہ سال کیلئے کمپنی کے نظرثانی شدہ غیر اشتمال شدہ اور اشتمال شدہ مالی حسابات معہ ان پر ڈائریکٹرز اور آڈیٹرز کی رپورٹس کی وصولی، غوروخوض اور منظوری دینا۔

3۔ بورڈ آف ڈائریکٹرز کی سفارش کے مطابق حتمی نقد منافع منقسمہ بشرح 25% (یعنی 2.50 روپے فی شیئر) کی منظوری دینا۔

4۔ 30 جون 2017ء مختتمہ سال کیلئے محاسب کا تقرر اور اُن کے مشاہرہ کا تعین کرنا۔ موجودہ محاسب میسرز ریاض احمد اینڈ کمپنی، چارٹرڈ اکاؤنٹینٹس ریٹائرڈ ہو گئے ہیں اور اہل ہونے کی بناء پر دوبارہ تقرری کیلئے اپنے آپ کو پیش کرتے ہیں۔

5۔ صاحب صدر کی اجازت سے کسی دیگر امر پر کارروائی۔

خصوصی امور:

مینڈیٹری ای ووٹنگ ضروریات کیلئے کمپنی کے قواعد میں کی جانے والی اصطلاحات

6۔ کمپنیز (ای ووٹنگ) ریگولیشنز 2016ء سے مجوزہ مینڈیٹری ای ووٹنگ ضروریات کے مطابق تعمیل کے مقصد کیلئے کمپنی کے قواعد وضوابط میں کی جانے والی اصطلاحات پر غوروخوض اور منظوری دینا اور اگر بہتر خیال کیا گیا، درج ذیل قرارداد کو معہ یا بلا ترمیم بطور خصوصی قرارداد منظور کرنا۔

"قرار پایا کہ کمپنی کے قواعد وضوابط درج ذیل کے مطابق تبدیل کی جائیں"

آرٹیکل 71 میں آخری سطر کے بعد درج ذیل سطریں داخل کی جائیں گی:

ای ووٹنگ کی صورت میں، ووٹرز یا تو ممبران یا غیر ممبران کو بطور مختار مقرر کر سکتے ہیں اور کمپنی کمپنیز آرڈیننس 1984ء کے تحت مجوز کمپنیز (ای ووٹنگ) ریگولیشن 2016ء کی ضروریات پر عمل کرے گی۔

آرٹیکل 76 درج ذیل الفاظ کے ساتھ تبدیل کیا جائے گا:

76۔ مختار مقرر کرنے کا ہر ایک آلہ موجودہ صورتحال کے مطابق درج کیلئے مؤثر شکل میں ہوگا اور کمپنی کے ہاں برقرار رکھا جائے گا۔

آپشن 1:

دیگر شخص کی بطور مختار تقرری:

میں..........ساکن..........بحیثیت رکن نشاط (چونیاں) لمیٹڈ مالک.......... عام حصص بمطابق رجسٹر فولیو نمبر.......... بذریعہ ہذا..........ساکن..........(یا اسکی ناکامی کی صورت میں..........) ساکن.......... (یا اسکی ناکامی کی صورت میں..........) کو اپنی طرف سے میری غیر موجودگی میں (سالانہ یا غیر معمولی جو بھی صورت ہو) کمپنی کے اجلاس عام..........بروز..........میں شرکت اور ووٹ دینے اور اس کے کسی تصفیہ کیلئے اپنا مختار مقرر کرتا ہوں۔

بمطابق گواہ آج..........بروز..........

میرے دستخط..........

مختار تقرری کے یہ آلات ہمیشہ آرڈیننس کے پہلے شیڈول کے جدول A کے ریگولیشن 39 میں قائم شکل میں ہونے چاہئیں۔

آپشن 2:

میں/ہم..........ساکن..........بطور رکن..........حصص کا مالک بمطابق رجسٹر فولیو نمبر/سی ڈی سی اکاؤنٹ نمبر..........بذریعہ ہذا مصالحت کے ذریعے ای ووٹنگ اختیار کرتے ہیں اور بذریعہ ہذا ایگزیکیوشن آفیسر..........کو بطور پراکسی مقرر کرنے کے رضامند ہیں اور کمپنیز (ای ووٹنگ) ریگولیشنز 2016ء کے مطابق ای ووٹنگ پر عمل اور بذریعہ ہذا قراردادوں کیلئے انتخاب کا مطالبہ کریں گے۔

میرا قابل اطمینان ای میل ایڈریس.......................... ہے۔ براہ مہربانی login تفصیلات، خفیہ کوڈ اور الیکٹرونک دستخط بذریعہ ای میل ارسال کریں۔

دستخط ممبر

CNIC نمبر..........................

دستخط گواہان

دستخط گواہ | دستخط گواہ

CNIC نمبر.......................... | CNIC نمبر..........................

مزید قرار پایا کہ چیف ایگزیکٹو آفیسر یا کمپنی سیکرٹری بذریعہ ہذا کمپنی کے آرٹیکلز آف ایسوی ایشن میں تبدیلی کیلئے تمام عوامل، کام اور چیزیں کرنے، تمام اقدامات اور ضروری عوامل، ذیلی اور اتفاقی اُٹھانے بشمول کمپنیز کے رجسٹرار کے ہاں پُر کئے جانے والے تمام درکار دستاویزات/ قانونی فارمز اور مذکورہ بالا قرارداد کے اطلاق اور آرٹیکلز آف ایسوی ایشن میں تبدیلیوں کو مکمل کرنے کیلئے تمام دیگر ضروری قواعد پر عمل کرنے کے با اختیار ہیں۔

نظرثانی شدہ حسابات کی ترسیل بذریعہ یو ایس بی/ ڈی وی ڈی/ سی ڈی

7۔ سکیورٹیز اینڈ ایکسچینج کمیشن پاکستان (SECP)

SRO No. 470(1)/2016 مورخہ 31 مئی 2016ء کی تعمیل میں ہارڈ کاپیوں میں مذکورہ حسابات کی ترسیل کی بجائے سالانہ نظرثانی شدہ حسابات کی ترسیل بذریعہ سی ڈی/ ڈی وی ڈی/ یو ایس بی کیلئے حصص داران کی رضامندی کا حصول اور اگر بہتر خیال کیا گیا درج ذیل قرارداد کو بطور عام قرارداد معہ یا بلا ترمیم منظور کرنا۔

"قرار پایا کہ:

a) رضامندی ہے اور بذریعہ ہذا ممبران کو سالانہ نظرثانی شدہ حسابات SECP بروئے SRO No. 470(1)/2016 مورخہ 31 مئی 2016ء سے نوٹیفائیڈ کے مطابق سوفٹ فارم یعنی سی ڈی/ ڈی وی ڈی/ یو ایس بی میں اُن کے رجسٹرڈ پتہ پر ترسیل کی اجازت دی جاتی ہے۔

b) چیف ایگزیکٹو اور کمپنی سیکرٹری بذریعہ ہذا اس قرارداد کو مؤثر بنانے اور تمام عوامل، کام اور چیزیں جو ضروری یا درکار ہوں کرنے اور وقتاً فوقتاً اور جب ضرورت ہو ایسے دستاویزات دستخط کرنے اور ایسے اقدامات اُٹھانے کے واحد مجاز اور با اختیار ہیں۔

لاہور

مورخہ: 05 اکتوبر 2016

بحکم بورڈ

بابر علی خان

کمپنی سیکرٹری

نوٹ:

1۔حصص منتقلی کتابوں کی بندش

حصص منتقلی کتابیں از 2016-10-22 تا 2016-10-28 (بشمول ہر دو ایام) سالانہ اجلاس عام کی شرکت کے لئے بند رہیں گی۔

25 فیصد حتمی نقد منافع منقسمہ کے استحقاق کے لئے

کمپنی کی حصص منتقلی کتابیں از 2016-11-19 تا 2016-11-25 (بشمول ہر دو ایام) 25 فیصد حتمی نقد منافع منقسمہ یعنی 2.50 روپے فی شیئر کے استحقاق کے لئے بند رہیں گی۔ مادی منتقلیاں/ سی ڈی ایس، کمپنی کے شیئر رجسٹرار، میسرز حمید مجید ایسوسی ایٹ (پرائیویٹ) لمیٹڈ، ایچ ایم ہاؤس، 7۔ بینک سکوائر، لاہور پر 2016-11-18 کو کاروبار کے اختتام تک موصول ہونے والی 25 فیصد حتمی نقد منافع منقسمہ کے استحقاق کے لئے بروقت تصور ہونگی۔

2۔سالانہ اجلاس عام میں شرکت

اجلاس ہذا میں شرکت اور ووٹ دینے کا اہل ممبر اجلاس میں شرکت اور ووٹ دینے کیلئے اپنی بجائے شرکت اور ووٹ دینے کیلئے کسی دیگر ممبر کو اپنا پراکسی مقرر کر سکتا ہے۔ پراکسی تقرری کے آلات باقاعدہ مہر اور دستخط شدہ کمپنی کے رجسٹرڈ دفتر پر اجلاس کے انعقاد کے وقت سے کم از کم 48 گھنٹے قبل لازماً موصول ہو جانے چاہئیں۔

سی ڈی سی اکاؤنٹ ہولڈرز کو مزید برآں سیکیورٹیز اینڈ ایکسچینج کمشن آف پاکستان سے جاری شدہ سرکلر نمبر 1 مورخہ 26 جنوری 2000 میں دی گئی درج ذیل گائیڈ لائنز کی پیروی کرنا ہوگی۔

A۔اجلاس میں شرکت کیلئے:

i)۔بصورت افراد، اکاؤنٹ ہولڈر یا سب اکاؤنٹ ہولڈر اور/یا شخص جن کی سیکیورٹیز گروپ اکاؤنٹ میں ہیں اور اُنکی رجسٹریشن تفصیلات، ریگولیشنز کے مطابق اپ لوڈ ہیں، کو اجلاس میں شرکت کے وقت اپنا اصل کمپیوٹرائزڈ قومی شناختی کارڈ (CNIC) یا اصل پاسپورٹ دکھا کر اپنی شناخت ثابت کرنا ہوگی۔

ii)۔بصورت کارپوریٹ اینٹٹی، بورڈ آف ڈائریکٹرز کی قرارداد/مختار نامہ معہ نامزد کے نمونہ دستخط اجلاس کے وقت مہیا کرنا ہونگے۔(اگر پہلے مہیا نہیں کئے گئے۔)

B۔پراکسیز تقرری کیلئے:

(i)۔بصورت افراد، اکاؤنٹ ہولڈر یا سب اکاؤنٹ ہولڈر اور/یا شخص جن کی سیکیورٹیز گروپ اکاؤنٹ میں ہیں اور اُنکی رجسٹریشن تفصیلات، ریگولیشنز کے مطابق اپ لوڈ ہیں، کو بالا ریکوائرمنٹ کے مطابق پراکسی فارم جمع کرانا ہوگا۔

(ii)۔پراکسی فارم، دو(2) افراد جن کے نام، پتے اور CNIC نمبرز فارم پر مذکور ہونگے، سے گواہی شدہ ہونگے۔

(iii)۔بینیفشل اونرز اور پراکسی کے CNIC یا پاسپورٹ کی مصدقہ نقول، پراکسی فارم کے ہمراہ جمع کرانا ہونگی۔

(iv)۔پراکسی، اجلاس کے وقت اپنا اصل CNIC یا اصل پاسپورٹ مہیا کرے گا/گی۔

(v)۔بصورت کارپوریٹ اینٹٹی، بورڈ آف ڈائریکٹرز قرارداد/مختار نامہ معہ نمونہ دستخط، کمپنی کو پراکسی فارم کے ہمراہ جمع کرانا ہوگا (اگر پہلے مہیا نہیں کئے)۔

3۔ڈیویڈینڈ وارنٹس پر CNIC/NTN نمبر (لازمی)

سیکورٹیز اینڈ ایکسچینج کمیشن پاکستان (SECP) نے بروئے اپنے نوٹیفکیشن SRO19(1)/2014 مورخہ 10 جنوری 2014 معہ نوٹیفکیشن SRO 831(1)/2012 مورخہ 5 جولائی 2012 کے مطابق وقتاً فوقتاً پہلے ہی مطلع کیا ہے کہ ڈیویڈینڈ وارنٹس پر نابالغ اور کارپوریٹ حصص داران کے سوائے رجسٹرڈ حصص دار یا بااختیار شخص کے کمپیوٹرائزڈ شناختی کارڈ (CNIC) نمبر بھی درج ہونے چاہئیں۔

لہٰذا، ڈیویڈینڈ وارنٹس کا اجراء حصص داران کی طرف سے CNIC (انفرادی)/ NTN (کارپوریٹ اینٹیٹیز) کے جمع کرانے کے حوالہ سے ہوگا۔

4۔انکم ٹیکس آرڈیننس 2001 کی دفعہ 150 کے تحت ڈیویڈینڈ سے انکم ٹیکس کی ڈیڈکشن (لازمی)

(i)۔فنانس ایکٹ 2016 موثر از یکم جولائی 2016 کی پروویژنز کی پیروی میں انکم ٹیکس کی ڈیڈکشن کی بابت اصطلاحات کی گئی ہیں۔ نقد منافع منقسمہ کے لئے انکم ٹیکس آرڈیننس 2001 کی دفعہ 150 کے تحت انکم ٹیکس کی ڈیڈکشن کی شرحوں پر درج ذیل کے مطابق نظر ثانی کی گئی ہے:

1۔انکم ٹیکس ریٹرنز کے فائلرز کیلئے ٹیکس ڈیڈیکشن کی شرح 12.50%

2۔انکم ٹیکس ریٹرنز کے نان فائلرز کیلئے ٹیکس ڈیڈیکشن کی شرح 20%

کمپنی کو نقد منافع منقسمہ کی رقم پر ٹیکس ڈیڈکشن 20% کی بجائے 12.50% شرح سے کرنے کے قابل بنانے کیلئے ممبران جن کے نام ایف بی آر کی ویب سائٹ پر مہیا ایکٹو ٹیکس پیئرز فہرست (ATL) میں داخل نہیں ہیں، باوجود اس حقیقت کے کہ وہ فائلرز ہیں، سے التماس ہے کہ ATL میں اپنے ناموں کا اندراج یقینی بنائیں۔ بصورت دیگر اُن کے نقد منافع منقسمہ پر ٹیکس 12.50% کی بجائے 20% شرح سے منہا کیا جائے گا۔

(ii)۔مزید برآں فیڈرل بورڈ آف ریونیو (ایف بی آر) کی وضاحت کے مطابق بصورت مشترکہ اکاؤنٹ ہر ایک جوائنٹ ہولڈر سے انکے شیئر ہولڈنگ تناسب کی بنیاد پر اصل شیئر ہولڈر اور جوائنٹ ہولڈر کے طور یا تو فائلر یا نان فائلر الگ الگ ود ہولڈنگ ٹیکس کا تعین کیا جائیگا اس حوالہ سے تمام حصص داران جو مشترکہ حصص رکھتے ہیں سے التماس ہے کہ اپنے ملکیتی حصص کی بابت اصل شیئر ہولڈر اور جوائنٹ ہولڈر کا شیئر ہولڈنگ تناسب درج ذیل کے مطابق تحریری صورت میں ہمارے شیئر رجسٹرار کو مہیا کریں۔

کمپنی کا نام	فولیو/سی ڈی ایس اکاؤنٹ نمبر	کل حصص	اصل حصص دار		مشترکہ حصص دار	
			نام اور CNIC نمبر	شیئر ہولڈنگ تناسب (حصص کی تعداد)	نام اور CNIC نمبر	شیئر ہولڈنگ تناسب (حصص کی تعداد)

مطلوبہ معلومات ہمارے شیئر رجسٹرار کو نوٹس ہذا کے 10 یوم کے اندر پہنچ جانی چاہئیں بصورت دیگر یہ تصور کر لیا جائے گا کہ اصل شیئر ہولڈر اور جوائنٹ ہولڈر شیئرز کی مساوی تعداد کا مالک ہے۔

(ii)۔کسی تفتیش/مسئلہ/معلومات کے لئے سرمایہ کار ہمارے شیئر رجسٹرار، میسرز حمید مجید ایسوسی ایٹ (پرائیویٹ) لمیٹڈ، ایچ ایم ہاؤس، 7۔بینک سکوائر، لاہور فون: 042-37235081-2 یا ای میل shares@hmaconsultants.com پر رابطہ فرمائیں۔

iv۔سی ڈی سی اکاؤنٹس کے حامل کارپوریٹ شیئر ہولڈرز کو اپنے متعلقہ پارٹیسپنٹس کے ہاں اپنے قومی ٹیکس نمبر (NTN) اپ ڈیٹ رکھنا چاہئے جبکہ کارپوریٹ مادی حصص داران کو اپنے NTN سرٹیفکیٹ کی کاپی ہمارے شیئر رجسٹرار، میسرز حمید مجید ایسوسی ایٹ (پرائیویٹ) لمیٹڈ کو ارسال کرنی چاہئے۔ NTN یا NTN سرٹیفکیٹس جو بھی صورت ہو ارسال کرتے وقت حصص داران کو کمپنی کا نام اور اپنے متعلقہ فولیو نمبر لازماً تحریر کرنے چاہئیں۔

ڈیویڈینڈ مینڈیٹ (لازمی)

سیکورٹیز اینڈ ایکسچینج کمیشن پاکستان (SECP) سے دی گئی ہدایات بروئے سرکلر نمبر 18 آف 2012 مورخہ 05 جون 2012 کی پیروی میں حصص دار اگر چاہے تو کمپنی کو کمپنیز آرڈیننس 1984 کی دفعہ 250 کے تحت اپنے بینک اکاؤنٹ کے ذریعے ڈیویڈینڈ ادا کرنے کی ہدایت کر سکتے ہیں۔

مزید برآں حصص کے ٹرانسفری کمپنی کی ویب سائٹ پر دستیاب ٹرانسفر ڈیڈ فارم نظر ثانی شدہ استعمال کرتے ہوئے ڈیویڈینڈ مینڈیٹ آپشن اختیار کر سکتے ہیں، ٹرانسفر ڈیڈ کا ریوائزڈ فارم، ٹرانسفریز کو نقد منافع منقسمہ براہ راست ان کے بینک اکاؤنٹ میں وصول کرنے کے قابل بنائے گا، اگر ٹرانسفری اپنے بینک اکاؤنٹ جسے وہ نقد منافع منقسمہ کے کریڈٹ کے لئے استعمال کرنا چاہتے ہوں کے کوائف مہیا کریں گے۔

اگر وہ ایسا چاہیں تو حصص داران کمپنی کی ویب سائٹ http://www.nishat.net پر دستیاب معیاری "ڈیو مختیار" کر سکتے ہیں۔

6۔نقد منافع منقسمہ کی الیکٹرونیکلی ادائیگی (آپشنل)

SECP نے اپنے مراسلہ نمبر SM/CDC/2008 (4)8 مورخہ 05 اپریل 2013 کے ذریعے ای ڈیویڈینڈ میکانزم متعارف کروایا ہے۔ ای ڈیویڈینڈ کے فوائد سے مستفید ہونے کے لئے (جیسا کہ ڈیویڈینڈ کا فوری کریڈٹ، ڈیویڈینڈ وارنٹس کے ڈاک میں گم ہونے، وصول نہ ہونے یا غلط پتہ پر وصول ہونے کا کوئی چانس نہیں وغیرہ) حصص داران سے بذریعہ ہذا التماس ہے کہ اپنے بینک مینڈیٹ سپیسیفائنگ کی تفصیلات (i) عنوان اکاؤنٹ (ii) اکاؤنٹ نمبر (iii) بینک کا نام (iv) برانچ کا نام، کوڈ اور پتہ مہیا کریں۔

7۔نظر ثانی شدہ مالی حسابات اور نوٹسز کی الیکٹرونک ترسیل کی رضامندی (آپشنل)

سیکورٹیز اینڈ ایکسچینج کمیشن پاکستان (SECP) نے اپنے نوٹیفکیشن SRO 787(i)/2014 مورخہ 8 ستمبر 2014 کے ذریعے کمپنیوں کو نظر ثانی شدہ مالی حسابات معہ سالانہ اجلاس عام کے نوٹسز اپنے ممبران کو بذریعہ ای میل ترسیل کرنے کی اجازت دی ہے۔ اس کے مطابق ممبران سے بذریعہ ہذا التماس ہے کہ نظر ثانی شدہ مالی حسابات اور سالانہ اجلاس عام کے نوٹسز بذریعہ ای میل وصول کرنے کے لئے اپنی رضامندی اور ای میل ایڈریس پہنچائیں۔ اس سہولت سے مستفید ہونے کے لئے معیاری درخواست فارم کمپنی کی ویب سائٹ http://www.nishat.net پر دستیاب ہے۔

8۔ پتہ کی تبدیلی

ممبران سے التماس ہے کہ اپنے پتہ میں کسی تبدیلی سے فی الفور مطلع فرمائیں۔ حصص داران سے التماس ہے کہ مذکورہ بالا معلومات / دستاویزات (i) متعلقہ سنٹرل ڈیپازٹری سسٹم (CDS) پارٹیسپنٹس اور (ii) مادی سیکورٹیز کی صورت میں کمپنی کے شیئر رجسٹرار کو مہیا کریں۔

9۔ کمپنی 30 جون 2016 مختتمہ سال کے لئے نظر ثانی غیر اشتمال اور اشتمال شدہ مالی حسابات معہ ان پر آڈیٹرز اور ڈائریکٹرز کی رپورٹس اپنی ویب سائٹ پر رکھ چکی ہے۔

کمپنیز آرڈیننس 1984 کی دفعہ 160(1)(b) کے تحت بیان

یہ بیان 30 اکتوبر 2016 کو منعقد ہونے والے کمپنی کے سالانہ اجلاس عام میں انجام دہی کے لئے خصوصی امور میں شامل مادی حقائق قائم کرے گا۔

ایجنڈا نمبر 6

مینڈیٹری ای ووٹنگ ضروریات کے لئے کمپنی کے قواعد وضوابط میں کی گئی اصطلاحات

سیکورٹیز ایکسچینج کمیشن پاکستان سے جاری شدہ کمپنیز (ای ووٹنگ) ریگولیشنز 2016 کی ضروریات کو موثر بنانے کے لئے کمپنی کے قواعد وضوابط میں اصطلاحات کی جا رہی ہیں۔ تمام فہرستی کمپنیوں کے لئے اس کی تعمیل لازمی ہے۔

کمپنی کی قواعد وضوابط میں تجویز کردہ اصطلاحات کی تفصیل نوٹس میں مذکورہ قرارداد کا حصہ ہے۔

ایجنڈا نمبر 7

نظر ثانی شدہ حسابات کی بذریعہ سی ڈی/ڈی وی ڈی/یو ایس بی کے ذریعے ترسیل

SECP نے بذریعہ اپنے SRO470(1)2016 مورخہ 31 مئی 2016 کمپنیوں کو سالانہ نظر ثانی شدہ حسابات ممبران کے منظوری کے بعد اپنے ممبران کو انکے رجسٹرڈ پتہ پر بذریعہ سی ڈی/ڈی وی ڈی/یو ایس بی ترسیل کرنے کی اجازت دی ہے۔ کمپنی سالانہ نظر ثانی شدہ حسابات کی ہارڈ کاپیاں، طلب کرنے پر حصص داران کو ان کے رجسٹرڈ پتہ پر ایسی طلب کے ایک ہفتہ کے اندر مفت مہیا کرے گی۔ جو کمپنی سیکرٹری کو ایسی درخواست ارسال کریں گے کو سی ڈی/ڈی وی ڈی/یو ایس بی کے ذریعے ترسیل کے ساتھ ساتھ ہارڈ کاپی بمعہ ڈاک اور ای میل ایڈریس پر سالانہ نظر ثانی شدہ حسابات ترسیل کرنے کے لئے، ممبران کی سہولت کے لئے کمپنی اپنی ویب سائٹ (http://www.nishat.net) پر معیاری درخواست فارم رکھے گی۔

اس کے مطابق ڈائریکٹرز نے ان کی منظوری اور نوٹس اجلاس میں تجویز کردہ کے مطابق عام قرارداد کی منظوری کے لئے معاملہ حصص داران کے روبرو رکھا ہے۔

مجلس نظماء کی رپورٹ

کمپنی کی کارروائیاں مالی سال کے دوران میں مجموعی طور پر صنعت میں مشاہداتی ترقی اور برآمدات میں کمی کے پس منظر کے برعکس ٹیکسٹائل کے شعبہ میں منافع کی کمی کے باوجود فروخت میں قابل ذکر اضافہ کے ساتھ منافع بخش رہیں۔ ہمارے ٹیکسٹائل کے کاروبار کو کئی مسائل کا سامنا کرنا پڑ رہا ہے، جس کی وجہ سے طلب اور منافع دونوں کافی گر گئے ہیں۔ کمپنی گزشتہ سال 3.37 فیصد کے مقابلے میں 5.1 فیصد تک منافع میں اضافہ سے اپنا منافع بخش ٹریک ریکارڈ فراہم کر رہی ہے۔ منافع پر سازگار اثر ویونگ اور ہوم ٹیکسٹائل ڈویژن کی برآمدات میں نمایاں اضافہ کا انضمام موزوں زرمبادلہ کے علاوہ ہوم ٹیکسٹائل ڈویژن کے مارجن میں اضافہ اور موثر لاگت کے انتظامات سے منسوب کیا جا سکتا ہے۔

ہم اپنی بے مثال کارکردگی اور اساتی ترقی کے ذریعے اپنے اسٹیک ہولڈرز کے لئے قدر پیدا کرنے میں مصروف عمل ہیں۔ گزشتہ چھ سال کے دوران کمپنی کے مالیاتی اعداد و شمار مستحکم اور پائیدار ترقی ضاہر کرتے ہیں۔ ہماری خالص فروخت 2010 میں 13.3 ملین روپے سے بڑھ کر 2016 میں 25.8 ملین روپے ہوگئی، جبکہ مجموعی اثاثے 30 جون 2010 کے مطابق 14.3 ملین روپے کے مقابلے تقریباً دوگنا یعنی 30 جون 2016 کے مطابق 28.9 روپے پر قائم رہے۔

ہم 30 جون 2016 کو ختم ہونے والے سال کے لیے نظر ثانی شدہ نتائج کا اعلان کرتے ہوئے خوشی محسوس کرتے ہیں۔

سال ایک نظر میں

وصولی: 25.8 بلین روپے (پلس 8.5 فیصد)

کاروبار سے منافع: 2.6 بلین روپے (پلس 5.8 فیصد)

سال کا خالص منافع: 1,328 ملین روپے (پلس 66 فیصد)

مالی جھلکیاں	مختتمہ سال 2016	مختتمہ سال 2015
فروخت (روپے)	25,799,121,553	23,780,454,796
مجموعی منافع (روپے)	2,455,517,774	1,956,775,047
بعد از ٹیکس منافع (روپے)	1,328,774,693	800,420,015
مجموعی منافع فیصد	9.5 فیصد	8.2 فیصد
بعد از ٹیکس منافع فیصد	5.1 فیصد	3.3 فیصد
فی شیئر آمدنی (روپے)	5.59	3.79 (اعادہ)

منافع

اس سال کے دوران ریونیو آمدنی 25.8 بلین روپے، گزشتہ سال سے 8.5 فیصد تک زیادہ تھی۔ ٹیکسٹائل صنعت میں مجموعی دباؤ کے باوجود، غیر ملکی زرمبادلہ ہوم ٹیکسٹائل اور ویونگ ڈویژنوں میں ہماری بڑھتی ہوئی برآمدات کے لیے سازگار رہا۔ سال 2015 میں 800.4 ملین روپے کے مقابلہ میں موجودہ مدت کے لئے بعد از ٹیکس خالص منافع 1328.7 ملین روپے ہے۔ جو کل آمدنی کا 29 فیصد حصہ ہے، منافع میں اضافہ ہوم ٹیکسٹائل ڈویژن میں اعلی مارجن کی وجہ سے بھی تھا۔

سال کے دوران آمدنی کی اکثریت ہماری ذیلی کمپنیوں سے حاصل ہونے والے منافع منقسمہ سے پیدا ہوئی تھی۔ عین وقت پر ہمیں احساس ہوا کہ متنوع بنانے کے لئے ہماری حکمت عملی کا فیصلہ چکری اور غیر مستحکم ٹیکسٹائل صنعت کو متوازن کرنے کے لئے ایک بہت ہی دانشمندانہ اقدام کیا گیا ہے۔

تصرفات

کمپنی کے بورڈ آف ڈائریکٹرز نے 04 اکتوبر 2016ء کو منعقدہ اپنے اجلاس میں 2.5 روپے فی حصص نقد منافع منقسمہ ادا کرنے کی تجویز دی ہے۔

سرمایہ کاری

سال کے دوران اہم سرمایہ کاری میں اضافہ کاروباری حجم کے امکانات کی پیش بینی میں آپریشنل کارکردگی کی صلاحیت بڑھانے اور بہتر بنانے کے لئے سپننگ اور ویونگ کے شعبوں میں کیا گیا تھا۔

سال کے دوران ویونگ شعبوں کی طرف سے 200 ملین مربع گز سے تقریباً 230 ملین مربع گز سے تک سالانہ حجم کی صلاحیت میں اضافہ کرتے ہوئے 417 ملین روپے کے عوض 92 لومز اور 1 کمپریسر خریدا گیا ہے۔

شعبہ وار آمدنی

سپننگ NCL کے لئے اہم آمدنی پیدا کرنے والا کاروبار ہے۔ 3 کاروباروں نے حجم کے لحاظ سے مستحکم ترقی ظاہر کی ہے لیکن حالیہ مارکیٹ دباؤ اور روپے کی قدر میں کمی کی وجہ سے آمدنی میں اس کے مطابق ترقی ظاہر نہیں

سپننگ

نشاط چونیاں لمیٹڈ سالانہ 85,000 ٹن رنگ سپن greige یارن پیدا کرنے والی 8 سپننگ ملوں میں واقع 210,000 سپنڈلز کی صلاحیت رکھتی ہے۔ سپننگ ڈویژن نے موجودہ سہولیات کی جدت اور اپ گریڈیشن میں اہم سرمایہ کاری محسوس کی ہے۔ کمپنی نے 2013 میں دو کمزور یونٹوں میں سے ایک میں مکمل طور پر واپسی کے عمل کو بہتر بنایا اور اہم مشینری حاصل کی ہے اور دوسرے یونٹ کی پوری مشینری کی جگہ مکمل خودکار جدید یورپی اور جاپانی مشینری کے ساتھ تبدیلی کے عمل میں ہے۔ یہ کوششیں نہ صرف لیبر کے اخراجات کو کم کریں گی بلکہ معیار اور پیداوار کو بہتر بنانے میں کمپنی کی مدد کریں گی۔

اس سال سپننگ ڈویژن کو نقصانات کا سامنا کرنا پڑا ہے۔ چینی منڈیوں میں کم طلب کے باعث کپاس کی کم قیمتوں کے ساتھ سال کا آغاز ہوا۔ پاکستانی کپاس کی فصل کی قلت اور معیار کے مسائل کی وجہ سے پہلی سہ ماہی کے اختتام کے بعد قیمتوں میں اضافہ کا سامنا کرنا پڑا۔ فصل کی بڑی مقدار بارش اور خراب موسم کے باعث خراب ہوگئی جس کے نتیجہ میں کمپنی کو درآمدہ کپاس پر بہت زیادہ انحصار کرنا پڑا۔

اس سال یارن کی قیمتوں میں گزشتہ سال کے مقابلے میں اضافہ ہوا ہے۔ تاہم، یہ اضافہ خام مال کی لاگت (جو تقریباً 15-20 فی صد اضافہ ہوا) لیبر اور مینوفیکچرنگ کے اخراجات میں اضافے کا احاطہ کرنے کے قابل نہیں تھا۔ چین نے بجائے پاکستان سے موٹے سوت کی درآمد کے، اپنی درآمدات کا رُخ اب بھارت کی طرف موڑ دیا ہے۔ کیونکہ بھارت بہت ارزاں قیمتوں پر پیشکش کرنے کے قابل ہے۔ اس کے نتیجہ میں پاکستانی سپنرز بین الاقوامی مارکیٹ میں بہت مسائل کا سامنا کر رہے ہیں۔ ان وجوہات کی بناء پر سپننگ ڈویژن کی بیرونی فروخت تقریباً 2.6 فیصد تک کم ہوگئی ہے۔

ویونگ

زیر جائزہ سال کے دوران کل فروخت گزشتہ سال کے مقابلے میں 20 فیصد تک بڑھ گئی، مجموعی نفع 4 فیصد سے 7 فیصد تک بڑھ گیا۔ منافع میں اضافہ بنیادی طور پر یارن کی قیمتوں اور بجلی کی قیمت میں کمی کی وجہ سے تھا۔ برآمدی فروخت کا حصہ 33.5 فیصد سے 37.5 فیصد تک بڑھ گیا ہے۔ اس کے علاوہ، برآمدی فروخت میں بھی 35 فیصد تک اضافہ ہوا ہے۔ ویونگ یونٹ میں لومز کی تعداد 293 سے بڑھا کر 361 تک کر دی گئی ہے۔ تنگ چوڑائی کپڑے کی ضرورت کو پورا کرنے اور مارکیٹ شیئر میں اضافہ کے لئے نئی لومز کا اضافہ کیا گیا ہے۔

ہوم ٹیکسٹائل

زیر نظر ثانی مالی سال کے دوران، ڈائنگ اور پرنٹنگ پلانٹ میں جدید ڈیجیٹل پرنٹنگ مشین کا اضافہ کیا گیا ہے۔ ڈیجیٹل پرنٹنگ کا اضافہ نئے گاہکوں پسندیدگی کی صلاحیت کے ساتھ ساتھ موجودہ گاہکوں کے لئے مزید متنوع پروڈکٹ مکس فراہم کرتا ہے۔ سچنگ صلاحیت میں ایمبرائیڈری quilting مشین کی شمولیت پر گزشتہ سال میں 13 فیصد کا اضافہ ہوا ہے۔ سچنگ کی صلاحیت میں یہ اضافہ اعلیٰ embellished اور ellite قدر کی تیار مصنوعات کے لئے خاص ہے۔ اس سال مجموعی فروخت میں 16 فیصد تک اضافہ ہوا ہے۔ اس کے علاوہ، مجموعی نفع 7.6 فیصد سے 14.4 فیصد تک بڑھ گیا ہے۔ وسعتوں میں مندرجہ بالا اضافہ کے علاوہ منافع میں اضافہ بنیادی طور پر اس پلانٹ کے لئے بجلی اور بھاپ کی پیداوار کے لئے ایک مثالی فیول مکس کو برقرار رکھ کر کمپنی کی طرف سے لاگت کے موثر انتظام کی وجہ سے ہے۔ خام مال کی موثر خریدبھی خام مال کی لاگت میں کمی کی وجوہات ہیں۔ اس کے علاوہ خام مال کی موئثر خریدبھی خام مال کی لاگت میں کمی کی وجہ سے ہوئی، جس کے نتیجہ میں GP مارجن میں نمایاں طور پر اضافہ ہوگیا۔ غیر ملکی مارکیٹ میں زرمبادلہ کی شرح میں اضافے نے کمپنی کے ویلیوایڈڈ سیکٹر کا ایک اور مثبت اہم حصہ شامل کیا ہے۔

کمپنی ویلیوایڈڈ سیکٹر میں مارکیٹ شیئر میں اضافہ کرنے کی کوشش کر رہی ہے۔ فروخت کو فروغ دینے اور ریٹیل مارکیٹ کو تسخیر کرنے کے لئے، کمپنی نے حال ہی میں "The Linen Company" (TLC) کے نام سے اپنی پہلی ریٹیل برانڈ کا آغاز کیا ہے۔ انتظامیہ کو یقین ہے کہ یہ کوشش زیادہ آمدنی پیدا کرنے کے ساتھ ساتھ مقامی ریٹیل انڈسٹری میں کمپنی کے نام کی تعمیر میں مدد کرے گی۔

مستقبل کا نقطہ نظر

ہم نے ٹیکسٹائل، بجلی اور تفریحی شعبوں پر مشتمل ایک منفرد اتحاد کے طور پر کول پاور اور تفریحی صنعت میں اپنی موجودگی قائم کرکے اپنی متنوع پورٹ فولیو میں اضافہ کیا ہے۔ ہم نے کوئلہ کی بنیاد پر 46 میگاواٹ کے ذاتی بجلی گھر کیلئے باضابطہ طور پر ایک معاہدے پر دستخط کیے ہیں جو فروری 2017 میں کام شروع کردے گا۔ یہ اقدام پیداواری لاگت میں نمایاں کمی کرے گا۔ فی الحال ہم بجلی کی لاگت کے طور پر 14-13 روپے فی یونٹ ادا کر رہے ہیں اور ہم اس منصوبہ سے امید کرتے ہیں کہ اخراجات 4.5-3.5 روپے فی یونٹ تک کم ہوجائیں گے۔ جس کے نتیجہ میں بچت ٹیکسٹائل کے کاروبار میں سکڑتے ہوئے مارجن کو بڑھانے میں مدد کرے گی۔

ہمارا مقصد اپنی کسٹمر بیس اور مصنوعات کی پورٹ فولیو کو بڑھانے کا ہے۔ اگلے چند سال NCL کی مضبوطی اور ترقی کے مجموعی فوائد دیکھیں گے جس کی گواہی گزشتہ چند سالوں میں مشاہدہ کی گئی ہے۔ مجموعی طور پر کمپنی کا مستقبل بہت حوصلہ افزا دکھائی دیتا ہے۔ گروپ آئندہ سالوں میں مزید کامیابیوں کے حصول اور شیئر ہولڈر کی تعمیر کیلئے اچھا تصور کیا جاتا ہے۔

کمپنی نے غیر مراعات یافتہ طبقے کے لئے رعایتی نرخوں پر معیاری طبی دیکھ بھال فراہم کرنے کے مقصد کے ساتھ سلیم میموریل ٹرسٹ ہسپتال نامی جدید ہسپتال قائم کرنے کا منصوبہ شروع کیا ہے۔ ہسپتال کے لئے 40 کنال اراضی خرید لی گئی ہے اور SMTH کا گرے سٹرکچر 2017 کے درمیان تک مکمل ہوجائے گا۔ 350 بستروں کی گنجائش کے ساتھ منصوبے کی لاگت کا تخمینہ 4 بلین روپے پاکستانی لگایا گیا ہے۔ ہسپتال کمیونٹیز کی مدد سے تعمیر کیا جارہا ہے اور اس میں دو قسم کی آمدنی اسٹریمز شامل ہوں گی؛ جو فیس برداشت کرسکتے ہیں ان کے لئے باقاعدہ فیس اور وہ لوگ جن کو مدد کی ضرورت ہو انہیں رعایت دی جائے گی۔

NC تفریح؛ نشاط چونیاں گروپ کا تازہ ترین منصوبہ، یونیورسل سینما کے برانڈ نام کے تحت پاکستان میں کمپنی کا ملکیتی سینما کا قیام اور چلانا ہے۔ فی الحال، کمپنی گرینڈ شاپنگ کمپلیکس، ملتان میں بین الاقوامی معیار کا جدید سینما چلا رہی ہے اور اکتوبر 2016 کے اختتام پر ایمپوریم مال لاہور میں پاکستان کا سب سے بڑا ملٹیپلیکس جس میں روزانہ 9,000 زائرین تفریح کرسکتے ہیں کا افتتاح کرے گی۔ ہمارا یقین ہے کہ بہت ہی جدید ٹیکنالوجی جو اپنے سرپرستوں کے لئے سب سے منفرد خدمات فراہم کرتی ہے کے استعمال کے ذریعے، یونیورسل سینما پاکستان میں فلم دیکھنے والوں کے لئے حتمی منزل بننے جارہا ہے۔

ویونگ کے شعبہ میں ہم نے فروخت کی مزید اقتصادی ترقی کے لئے موجودہ لومز کی دو Cord میں اپ گریڈیشن کرکے اپنی مصنوعات کی رینج بڑھاکر Stripe اور dobby آرٹیکلز کی طلب پوری کرنے کے لئے 12 نئی تنگ چوڑائی والی لومز کا اضافہ کرنے کی منصوبہ بندی کی ہے۔ وسعت مارچ 2017 میں مکمل ہونے کی توقع ہے۔ اس سے تقریباً 550,000 میٹر ماہانہ صلاحیت میں اضافہ ہوگا۔

فروخت کی بڑھتی ہوئی ضروریات کو پورا کرنے کے لئے، ہم نے اپنے ڈائنگ اور پرنٹنگ پلانٹ میں ایک جدید مرکرائزنگ مشین، مسلسل واشنگ پلانٹ اور اعلیٰ کارکردگی کا سٹنٹر شامل کرنے کی منصوبہ بندی کی ہے۔ یہ منصوبہ پلانٹ کی کارکردگی 15 فیصد تک بڑھانے میں مدد کرے گا۔ سچنگ پلانٹ میں ہم ان کے محکموں کی کارکردگی کو بڑھانے کے ساتھ ساتھ مجموعی لاگت کو کم کرنے میں مدد کے لئے اپنی سچنگ صلاحیت کے ساتھ ساتھ خودکار کٹنگ

کا تعارف اور پیکنگ مشینوں کا اضافہ شامل کرنے کی منصوبہ بندی کر رہے ہیں۔

کارپوریٹ سماجی ذمہ داری

سماجی بہبود اور کمیونٹی کی خدمت ہمارے وژن کا لازمی حصہ ہے جو صحت اور تعلیم کے شعبوں میں وقتاً فوقتاً اہم کردار ادا کرنے کے لئے ہماری مختلف کوششوں کی شکل میں ہمارے عزم سے عیاں ہے، نہ صرف ہم مختلف ٹیکسز، ڈیوٹیز اور لیویز کی ادائیگی کے ذریعے قومی خزانے میں قابل ذکر اضافہ کرتے ہیں بلکہ ہماری برآمدات کی آمدنی ملک کی غیر ملکی زرمبادلہ کی پوزیشن کو مستحکم کرنے میں کافی اہم کردار ادا کرتی ہے۔

ہمارا پختہ یقین ہے کہ تنہا یہ شراکت معاشرے پر ایک بامعنی اثرات ڈالنے کے لئے کافی نہیں ہیں۔ ہمیں بڑے پیمانے پر تعلیمی پروگراموں کی مدد، صحت کی دیکھ بھال میں مدد، ماحول کو محفوظ بنانے اور خواتین کو بااختیار بنانے اور پسماندہ کی حالت کو بہتر بنانے کے ذریعے، معاشرے کی ترقی کی حمایت کرنی چاہیے۔

کمپنی نے ایک ٹرسٹ جو رفاہی سرگرمیوں سے نمٹنے کے لئے قائم کیا گیا تھا کے ذریعے ایک ہسپتال اور ایک اسکول عطیہ کیا ہے۔ اسکول برائے نام فیس پر اعلی معیار کی تعلیم فراہم کرتا ہے جبکہ ہسپتال غیر مراعات یافتہ طبقہ کے لئے رعایتی صحت کی دیکھ بھال فراہم کرتا ہے۔

مذکورہ بالا خیراتی کوششوں کے علاوہ کمپنی لاہور کے عوام کے لئے معیاری طبی دیکھ بھال کے حصول کے بنیادی مقصد کے ساتھ سلیم میموریل ٹرسٹ ہسپتال کے نام سے ایک جدید غیر منافع بخش ہسپتال کی تعمیر میں مصروف ہے۔ ہسپتال کے مقاصد غیر مراعات یافتہ طبقہ کو رعایتی علاج فراہم کرنا ہے۔ محدود غیر منافع بخش معیار کی صحت کی دیکھ بھال کے منصوبے لاہور اور اس سے ملحقہ علاقوں کے عوام کی ضروریات پورا کرنے، بین الاقوامی معیار کی ایک غیر منافع بخش بنیادی صحت کی دیکھ بھال کی سہولت کے قیام کے ساتھ مسلسل CSR پر پریکٹسز اور کمپنی کی طرف سے کئے گئے اقدامات شروع کرنا ضروری ہے۔ تعمیر مکمل ہونے کے بعد SMTH لاہور میں جدید سہولیات، آپریشن تھیٹرز، کلینکوں اور بہت ہی جدید لیول III ٹراما سینٹر ہو گا۔ یہ اعلی تعلیم یافتہ ڈاکٹروں اور پیشہ ور افراد کی ایک ٹیم سے چلایا جائے گا۔ ہسپتال ہمارے معاشرہ کے عطیات کی مدد سے تعمیر اور خود پائیداری، کراس سبسڈی ماڈل پر چلایا جائے گا۔

ہم اپنے ملازمین کو کام کا ماحول فراہم کرنے کے لئے مصروف عمل ہیں جو صحت مند، محفوظ اور مسلسل سیکھنے کے لئے موزوں ہو۔ کمپنی نسلی گروہوں، ثقافتوں اور جنس سے قطع نظر مسلسل لوگوں کو روزگار فراہم کر رہی ہے۔ ہمیں ایک مساوی مواقع آجر ہونے پر فخر ہے۔

ویلیو ایڈیشن اور تقسیم کا بیان

	روپے ملین میں
پیدا کردہ دولت	
کل وصولی اور دیگر آمدنی	26,989
مال اور خدمات میں خرید	(21,018)
	5,971
دولت کی تقسیم	
معاشرہ کو	
ملازمین کی تنخواہ	2,177
حکومت کو	
ٹیکسز، ڈیوٹیز، ترقیاتی چارجز وغیرہ	284
سرمایہ فراہم کنندگان کو	
مالی لاگت	1,030
منافع منقسمہ	360
سرمایہ کاری اور مستقبل کی ترقی کے لئے محفوظ	
فرسودگی، کساد بازاری اور محفوظ منافع	2,120
	5,971

کارپوریٹ گورننس

سال کے دوران آپ کی کمپنی کارپوریٹ گورننس کے ضابطہ اخلاق کی ضروریات پر عمل پیرا رہی ہے۔

بورڈ آف ڈائریکٹرز کے اجلاس:

زیر جائزہ سال کے دوران چار (4) اجلاس منعقد ہوئے۔ ہر ایک ڈائریکٹر کی حاضری حسب ذیل ہے:

نام ڈائریکٹرز	تعداد حاضری
جناب شہزاد سلیم	4
محترمہ فرحت سلیم	1
جناب زین شہزاد	0
جناب آفتاب احمد خان	0
جناب کامران رسول	4
جناب محمد علی زیب	3
جناب محمد عمران رفیق (نامزد این آئی ٹی)	4

آڈٹ کمیٹی

آڈٹ کمیٹی، بورڈ آف ڈائریکٹرز کی طرف سے مقررہ ریفرنس کی شرائط کے مطابق اپنے فرائض انجام دے رہی ہے۔ آڈٹ کمیٹی کی تشکیل درج ذیل ہے:

جناب محمد عمران رفیق	چیئرمین
جناب زین شہزاد	ممبر
جناب محمد علی زیب	ممبر

HR& معاوضہ کمیٹی

COCG 2012 کی تعمیل میں، کمپنی کے بورڈ آف ڈائریکٹرز نے ایک HR & R کمیٹی قائم کی ہے۔ HR & R کمیٹی کی تشکیل درج ذیل ہے:

محترمہ فرحت سلیم	چیئر پرسن
جناب زین شہزاد	ممبر
جناب کامران رسول	ممبر

نمونہء حصص داری

30 جون 2016ء کے مطابق نمونہء حصہ داری منسلک ہے۔

INVESTORS' EDUCATION

In pursuance of SRO 924(1)/2015 dated September 9th, 2015 issued by the Securities and Exchange Commission of Pakistan (SECP), the following informational message has been reproduced to educate investors:

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